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INSIDE THE SEIM THE ARTS ROLE Page 10

SPORTS A SENATORIAL LECTURE ON OLYMPICS, Page 21



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I explained with a mouth full of food near the end of the day that indeed only mildly that Solana, soon, he said

Instability Threatens Kosovo's Neighbors

Western Investment In Post-Bosnia Peace Could Be a Casualty

By Blaine Harden
New York Times Service

SARAJEVO, Bosnia-Herzegovina — NATO's bombing of Yugoslavia is destabilizing neighboring regions in which the United States and Europe have stationed tens of thousands of troops, spent billions of dollars and invested years of work in trying to secure peace, build democracy and improve moribund economies.

Since the bombing started on March 24, the 32,000 NATO-led troops who keep the shaky peace in Bosnia have faced numerous attacks from Serbs and are on high alert in the worst tension since the end of war in 1995.

In the Yugoslav republic of Montenegro, a president who has won backing from Washington and other foreign capitals is devoting all of his energies to averting a coup backed by the army of the Yugoslav president, Slobodan Milosevic.

Macedonia, which is coping with hundreds of thousands of Kosovo refugees, is worried about tens of thousands more arriving, and Croatia, with its economy dependent on tourism, faces a bleak summer of empty hotels and beaches.

For foreigners and locals alike, the fear is that prolonged NATO bombing of the Serbs will reopen all the wounds festering from the Balkan wars of this past decade. "The security situation is stable, but the longer the bombing goes on, the more difficult it will be to control the situation," said Lieutenant General Mike Wilcocks, a British officer who is the deputy commander of the NATO-led peacekeepers in Bosnia.

In Bosnia and Montenegro, the best face that diplomats or military officials put on the Serb fury stoked by three weeks of bombing is that they should be able to contain it until Mr. Milosevic is defeated, at which point they suggest that prospects for democratic development in the region will soar. "If getting rid of Milosevic fails, then everything else fails," said Carlos Westendorp, the Western envoy who essentially runs Bosnia under the 1995 Dayton peace accords. "That is the condition we need for full development of

See BALKANS, Page 2



An Air Force C-17 cargo plane from Charleston Air Force Base, South Carolina, unloading Army personnel at the Tirana, Albania, airfield.

Pakistani Court Sentences Bhutto to 5 Years in Prison

By Celia Dugger
New York Times Service

NEW DELHI — A Pakistani court on Thursday convicted Benazir Bhutto — who has twice served as prime minister of Pakistan and twice been removed on corruption charges — for taking kickbacks while she was in office in the mid-1990s, and sentenced her to five years in prison and barred her from holding political office.

Both Miss Bhutto, the Western-educated heir to one of Asia's political dynasties, and her husband, Asif Ali Zardari, were found guilty of accepting kickbacks from a Swiss goods-inspection company that was hired while she was in office to combat corruption in the collection of customs duties, which are Pakistan's largest revenue source.

The court also sentenced Mr. Zardari to five years in prison, fined him and Miss Bhutto \$8.6 million and ordered that their property be confiscated.

Pakistan's Accountability Bureau, which investigated the case, reacted triumphantly. "Benazir Bhutto and her husband, Asif Ali Zardari, have finally been proved world-class thieves," the bureau said in a statement.

But Miss Bhutto, who was in London on Thursday, denied all the charges and said she would return to Pakistan next week to appeal the case to the Supreme Court. She denounced the verdict as a politically motivated attempt by her arch-rival, the current prime minister, Nawaz Sharif, to destroy her. "I ran the government to the best of my best

See BHUTTO, Page 4

'Many, Many' Months of War Predicted by U.S. Officials

'This Is Very Risky,' Cohen Warns Senators

By Joseph Fichtel
and Brian Knowlton
International Herald Tribune

Top U.S. military officials predicted Thursday that the NATO campaign against Yugoslavia could last "many, many" months, ending only when President Slobodan Milosevic gave in to alliance demands or when ethnic Albanian insurgents in Kosovo, radicalized by the Serbian onslaught, were able to push weakened Serbian forces out.

"This is not going to be quick, easy or neat," Defense Secretary William Cohen said as he testified before the Senate Armed Services Committee in Washington. "This is very risky."

The prospect of American casualties, he said, was "very real and high."

He and General Henry Shelton, the chairman of the Joint Chiefs of Staff, who also testified, were asked if the air

German and French plans reflect political agendas at home. Page 2.

campaign, now entering its fourth week, could continue for "many, many, many weeks or even months."

Both men said "yes."

But they said that the campaign was making real progress and would be intensified.

In air raids Thursday, NATO warplanes reportedly hit the ships of Serbia's small navy in the port of Bar in Montenegro, the small republic that is Serbia's partner in the Yugoslav federation.

The attack on the Serbian warships, which allied officials accused of firing on NATO warplanes, seemed likely to sharpen the political tension in Montenegro, whose pro-Western government is reported to fear a coup by factions loyal to Belgrade.

On the diplomatic front, German officials defended their peace proposals on Kosovo, saying Thursday that they were designed to ensure that the alliance did not win the war with Serbia at the expense of alienating Russia and undermining the authority of President Boris Yeltsin. The Russian leader has been under attack at home because of the North Atlantic Treaty Organization offensive.

The German proposals, backed by the European Union, called for a 24-hour cease-fire in air strikes once Belgrade agreed to NATO demands and Serbian forces started physically withdrawing from Kosovo — with the air attacks to remain suspended, on a day-by-day basis, if the retreat proceeded rapidly. The proposals also embodied NATO's demand for an international force in Kosovo to ensure the safe return of refugees.

Germany's plan is "100 percent in line" with the positions adopted by NATO, a German policymaker said by phone from Bonn. There was "not an inch" of difference between his government and the U.S. administration, he said, adding that both allies agreed on the need for diplomacy, especially toward Russia, to contain the political repercussions of a prolonged conflict with Serbia.

In reformulating the alliance demands, he said, Bonn was trying to find a basis for a Security Council resolution — acceptable to Russia — that would strengthen the international legitimacy of NATO's military action.

If the plan was adopted by Russia, Serbia's diplomatic isolation would be complete, according to an official involved in framing the diplomatic initiative put forward by Joschka Fischer, the foreign minister.

U.S. officials, who share Bonn's wish



A woman who had been in the convoy attacked by NATO, crying after her arrival Thursday in Kukes, Albania, near the border with Kosovo.

NATO in a Tactical Bind After Bombing Error

By Daniel Williams
Washington Post Service

BRUSSELS — From the skies over a landscape aflame with burning villages and crisscrossed by refugees and enemy troops, the American pilot of an F-16 fighter jet felt sure he saw three military trucks below on a narrow road. After moving in for a closer look, he dropped a laser-guided bomb.

It was midafternoon Wednesday. But what seemed a trophy turned out to be a group of tractor-drawn flatbeds that had ferried tens of thousands of refugees to Albania and Macedonia. NATO officials here offered no count of the dead; Serb spokesmen put the death toll at 72 — the bloodiest incident in a war fought in the name of protecting civilians.

On Thursday, NATO officials in Brussels worked hard to both explain the incident and maintain the moral high ground in an increasingly messy conflict. They repeatedly expressed regret but said that such events might happen again. And in no case, they asserted vigorously, would the NATO bombing campaign, now at the beginning of its fourth week, be suspended or altered.

"At the end of the day," said Jamie Shea, NATO's civilian spokesman, "this will go on; this will succeed."

The acknowledgment of the attack on civilians put NATO in a tactical and propaganda bind. Air strikes already are carried out under rules designed to avoid hitting civilians. But pilots also

are told to fly no lower than 15,000 feet (4,500 meters) above the ground, to stay out of anti-aircraft range.

Complying with the altitude limit in this case meant tragedy. The pilot was wrong when he said he saw military trucks, NATO officials said.

"Of course, identification with the eye is more complex," said Brigadier General Giuseppe Marini, a NATO spokesman.

[In Washington, the U.S. defense secretary, William Cohen, testifying before the Senate Armed Services Committee, expressed regret over the attack. "We do try to reduce the risks to innocent

See CONVOY, Page 3



At Bottom, the Problem Is Spreading

By Rene Sanchez
Washington Post Service

SEATTLE — The polite way to describe the change being made to seats on Puget Sound ferries is to call it a refitting, or just a small but vital adjustment to suit the times. But that hides the plain truth: So many riders are so fat they need more room.

There was a day when the ferries carried 250 people with ease. Ferry officials had figured out how much space the average person needed to sit by using a precise formula — known as the 18-inch (45-centimeter) rule. It has been a kind of national standard in seating for generations, but it may not last much longer.

And in its demise is a story of the bulging of America.

From planes to stadiums, in church

As Americans' Obesity Rises, the Seat Pinches

pews and cinemas, even here on Seattle's ferries, the growing girth of the populace is slowly but surely redefining what comfort means across the country and prompting many industries to look anew at the shape of Americans. What they have found is a problem of sizable proportions.

In response to how wide many riders are getting, ferry officials recently reduced capacity on some boats and are installing more benches and bigger seats — with a 21-inch spread — on others. For the same reason, a movie theater opening soon in Seattle will have some seats for obese patrons. And at a ballpark being built down-

town, many seats will be four inches wider than seats at the old Kingdome.

"The old seats don't seem to be working anymore," said a ferry rider, Craig Gagner, on a trip across the sound to Vashon Island one recent afternoon. "My butt still fits the 18-inch rule they say they use, but so many others say they're crunching us. We're definitely not as lean as we used to be."

Nationally, some airlines are lifting tray tables higher on new planes to accommodate burgeoning bellies. Restaurants are buying wider booths and apparel makers are promoting more clothing with elastic waistbands.

The Society of Automotive Engineers is even working with U.S. Air

See FAT, Page 5

Anguished Over Debt, Brother Kills Brother in Japan

By Stephanie Strom
New York Times Service

OSAKA, Japan — Shigeru Ishimura was hard at work at his father's bankrupt welding company when he heard a groan coming from across the small yard that separated the office from the factory.

Newsstand Prices

| | | | |
|----------|-----------|-----------------|-----------|
| Andorra | 10.00 FF | Lebanon | 11.000 |
| Antilles | 12.50 FF | Morocco | 16 Dh |
| Armenia | 1.600 CFA | Oman | 10.00 QR |
| Cambodia | 10.00 CFA | Rainbow | 12.50 FF |
| Egypt | 10.00 CFA | Saudi Arabia | 10 SR |
| France | 10.00 FF | Senegal | 1.000 CFA |
| Gabon | 1.100 CFA | Spain | 250 Ptas |
| Ghana | 3.000 CFA | Tunisia | 1.250 Dn |
| Italy | 1.250 CFA | U.A.E. | 10.00 Dh |
| Jordan | 1.250 JD | U.S. Ml. (Eur.) | \$1.20 |
| Kuwait | 700 KD | | |

He ran to his father's office. What he saw there on Sept. 16 is etched into his memory as if by acid. His uncle was slumped on the floor, a knife sticking out of his belly. His father's hand was wrapped around the knife.

Every day, the recession strangling Japan's economy is playing out in personal tragedies, as owners struggle to keep companies afloat, workers find themselves jobless, and housewives wrestle to stretch shrinking family budgets.

But few of these private epics ever surface. The Japanese take pride in their ability to endure suffering while presenting a serene face to the outside world.

The tale of the Ishimura family offers a rare window on the private anguish inflicted by a prolonged recession. It is almost unheard of for the Japanese to speak openly about matters that shame them and their families.

The Ishimuras repeatedly resisted speaking to a reporter, who finally con-

vinced them to share their story after attending a trial session and meeting their lawyer.

Shigeru Ishimura said he decided to speak out in hopes of explaining what his father did and because he felt he had nothing more to lose.

Murders, though increasing, are rare — there were only 1,338 in 1998, in a population of about 125 million — and fratricide is usually little more than the stuff of samurai dramas. But for the Ishimuras, the strains imposed by the recession exploded into just that.

"Our lives have turned 180 degrees," said Kinoku Ishimura, Shigeru's mother. "I can't believe it."

Her days now revolve around visiting her husband, Satomi, in prison, where he awaits trial for killing his brother, Kagenori.

The daily visits are heart-breaking. Her husband is frail and cries frequently. Yet Mrs. Ishimura takes heart that he is crying at all. "At the beginning, he could not even cry."

Hearings are held about once a month in Osaka before a judge who will determine Satomi's fate.

Murder can be punished by death in Japan, but it is unlikely in this case, lawyers said, given that this was Mr. Ishimura's first crime and that he has a long history as an upstanding citizen.

Indeed, Mr. Ishimura once epitomized the Japanese economic miracle. Koyo Welding, the business he founded with a brother-in-law, was a high-flying success, making metal doors for industrial purposes.

As the second son in his family, Satomi had made his own way in the world. His father had doted on his elder brother, Kagenori. "My grandfather had great expectations that his eldest son would become something," Shigeru said.

So while Shigeru's uncle was becoming something, his father worked. "He worked from the morning until

See JAPAN, Page 4

The Dollar

| | New York | Thursday 4 P.M. | previous close |
|-------|----------|-----------------|----------------|
| Euro | 1.0708 | 1.0806 | |
| Pound | 1.6097 | 1.6136 | |
| Yen | 118.93 | 118.83 | |
| DM | 1.8271 | 1.8102 | |
| FF | 6.1276 | 6.0709 | |

Dollars per pound and per euro

| | The Dow | Thursday close | percent change |
|--|---------|----------------|----------------|
| | +51.08 | 10,462.72 | +0.49% |
| | -5.52 | 1,322.92 | -0.42% |

Naadag

| | | | |
|--|--------|----------|--------|
| | +14.76 | 2,522.04 | +0.59% |
|--|--------|----------|--------|

AGENDA

Boeing's Earnings Increase Ninefold

Boeing Co. said Thursday that its earnings surged more than ninefold in the first quarter, beating analysts' expectations, as the world's largest aircraft maker rebounded from the severe production hiccups that plagued it a year ago.

Net income at Seattle-based Boeing rose to \$469 million from \$30 million in the first quarter of 1998. Boeing said all three operating units, including military aircraft, contributed to a solid first quarter. Page 13.

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The IHT on-line www.ih.com

Anti-Euro Attack

Business for Sterling, a group of British business leaders opposed to joining the euro, took their campaign to the City on Thursday. Page 13.

The Battle for Kosovo / A 'Two-Track' Tactic Suggested in European Capitals

German and French Plans on Kosovo Reflect Political Needs at Home

By John Vinocur
International Herald Tribune

PARIS — After three weeks of air attacks on Yugoslavia, some of Europe's leadership is showing signs of restlessness, a desire to turn peace plans and diplomatic maneuvering into a mark of difference in a war that may have only just begun.

The resolve of NATO's European component to pursue the military campaign has not been called into question by either the European governments themselves or their American ally. And by almost every gauge, official alliance solidarity remains high.

But two plans, a German one for ending the fighting and a French one for the future administration of Kosovo, both discussed in the background of a European Union summit meeting on Wed-

nesday, suggested how much Continental Europe wants to be seen talking about a resolution of the crisis — at the same time that some of its commentators are asking if the American-led bombing, described as a strategy gone wrong, can possibly stop a human rights disaster of tragic magnitude.

The eagerness to talk about bombing pauses, greater Russian and United Nations Security Council involvement in trying to drive sense into Slobodan Milosevic and turning Kosovo into a temporary EU jurisdiction once peace is restored may reflect the political wisdom of governments wanting to head off a perception that they are doing little besides following the American military lead. Their leaders could also be justifiably concerned that their constituencies' support may be narrower and

more fragile than the current reassuring poll results so support for the war indicate.

In inviting the UN secretary-general, Kofi Annan, to their meeting in Brussels, and by emphasizing Russia's role in seeking a solution, the Continental Europeans have also sought to stress for their public opinion that they were opening new avenues of exploration that went beyond NATO's closed circuits, and joggling the Americans into a more intense search for a negotiated settlement.

Yet talking about what might be possible seemed a diversion to the more allied countries, too much chat too soon about ending a war that was nowhere near won.

It was regarded as a two-track tactic that raised uneven or misguided psychological expectations: thin hopes for a

way out, stacked against the real prospects of a harsher war.

Ironically, the notion of a bombing halt had aspects of a concession in advance, rather like the perceived American doctrine of no deaths and no ground war, so often described in Europe as a conceptual and strategic error of basic significance.

If the United States, by way of reaction, chose not to engage extensively in public beyond rejecting the halt, Prime Minister Tony Blair of Britain employed a tone that reflected more irritation.

After telling reporters that he had spoken to President Bill Clinton, he said Wednesday, "There is not going to be a halt to the NATO action until the demands we have set, which are humane and civilized demands, are met in full."

On Thursday, the problem with the German approach — talking about an end to the conflict without establishing the basis of a North Atlantic Treaty Organization victory — appeared, brightly silhouetted by skilled Russian diplomacy. Choosing what he wanted to hear, and perhaps what he thought Western European public opinion was waiting to be told, Viktor Chernomyrdin, Russia's envoy on Yugoslavia, said, "What Germany is proposing — to stop all military action for at least 24 hours and look for a compromise — deserves attention."

Almost simultaneously in a speech before the Bundestag, Chancellor Gerhard Schröder asserted that all the West's conditions for a Kosovo settlement would have to be accepted before a bombing halt, but that he was indeed ready to talk to Mr. Chernomyrdin.

What the West's conditions meant was another issue because the German proposal mentioned only the presence of an unspecified international force to maintain security in Kosovo after the eventual withdrawal of the Serbian Army and the police.

In contrast, Joe Lockhart, the White House spokesman, said Wednesday, "The U.S. position is that we believe only NATO is capable of providing the kind of command structure that we'd be comfortable with."

This aspect of an eventual settlement pointed toward an ultimate question for the alliance: Could its European members agree with the United States on a satisfactory definition of what constituted an unmistakable victory over the Milosevic regime?

For NATO's most fervent supporters, an unambiguous victory was regarded as the single acceptable outcome for the organization if its future is to be preserved as guarantor of security and human rights in Europe.

But the variations between what the United States and Europe could regard as victory were extensive. Alain Richard, the French defense minister, was asked twice Thursday on a French radio program if the only acceptable result of the conflict in Yugoslavia was victory. The simple answer would have been yes.

Mr. Richard, slipping the question a first time, finally replied by saying ambiguously, "Everybody can lose."

To what extent governments in France and Germany could handle even wider military efforts without creating greater strains in the alliance was not clear.

A German policymaker, requesting anonymity, said that being engaged on the right side in a war did not make the issue simpler for the majority of people in Germany. He said the weekly newspaper Die Zeit seemed to have gotten it right this week in saying that Germans supported the Kosovo intervention, but lived with "exaggerated hopes that there will be peace talks soon and that Germany will return to normalcy."

While supporting the war effort, the German government of Social Democrats and Greens was obviously under pressure to uphold its component parties' traditional nonviolent and peace credentials. A peace plan seemed to come naturally to the government, but it would be much harder pressed if had to legitimize an intensification in the bombings or involvement on the ground.

In France, where President Jacques Chirac and Prime Minister Lionel Jospin were active in defending attacks on the Belgrade regime, and successful for the time being in bringing public opinion to their side, there was central interest in maintaining some kind of French specificity in circumstances largely defined by the Americans.

The answer for now seemed to be in pressing for Russian and Security Council involvement in Kosovo discussions, so as to not allow NATO to become the vector of a political solution. As far as the Gaullist right wing was concerned, according to Alain Peyrefitte, once a cabinet minister under Charles de Gaulle, France could still salvage the possibility of special relations with Russia. "Never has Washington's possession of Europe been so mortifyingly evident," Mr. Peyrefitte said.

The newspaper Le Monde, often an accurate reflection of official foreign policy thinking, said if France focused attention on the United Nations and Russia, it was thinking ahead — "because it feared in current (like Iraq) or future circumstances leaving the way open to the unilateralism of the United States and its domination of NATO."

BALKANS: Destabilizing the Region

Continued from Page 1

the region, respect of borders and democracy.

He and other Western officials agree, however, that the longer the bombing continues, the more difficult it will be for peacekeeping forces in Bosnia to hold back Serb radicals and for the government in Montenegro to escape a coup attempt that could spark a civil war.

The bombing has halted efforts to rebuild infrastructure or return Bosnians who fled the war to their old homes. Hundreds of Westerners have evacuated Republika Srpska, as the Bosnian Serbs' half of Bosnia is known. Mr. Westendorp has ordered the elected Serbian assembly not to meet until the Kosovo war is over.

"What I am doing is freezing the situation," he said Wednesday in Sarajevo. "The hard-liners are constantly harassing the moderates. It would do a lot of harm to have the assembly meet."

The West has the most control in Bosnia. There, NATO peacekeepers are heavily armed and have more than three years' experience dealing with the terrain and managing the anger of Bosnian Serbs. After the air strikes began on March 24, General Wilcocks ordered a ban on the training and movement of local armies across Bosnia. Peacekeeping troops have been ordered to wear body armor in the field at all times and not to travel in groups of less than three.

In the week after the bombing began, there was a sharp increase in Serbian attacks on peacekeeping troops, including several incidents when hand grenades were thrown from moving cars. General Wilcocks would not say how many incidents there had been, only that they had subsided somewhat in the past week. No troops have been injured, he said.

The general said that forces in Bosnia "have nothing to do with NATO." But the credibility of that distinction took a severe blow on April 3, when peacekeeping troops whose nationality has not been disclosed, acting on orders from Washington, blew up a stretch of railroad in Bosnia that connects Belgrade with Montenegro. Western diplomats in Sarajevo said the action had been ordered because of information that a trainload of armed Serbian paramilitary forces was headed to Montenegro to make trouble for the pro-Western government there.

The destruction of the tracks, during which the troops shot and killed a guard who fired at them, gave Serbian na-

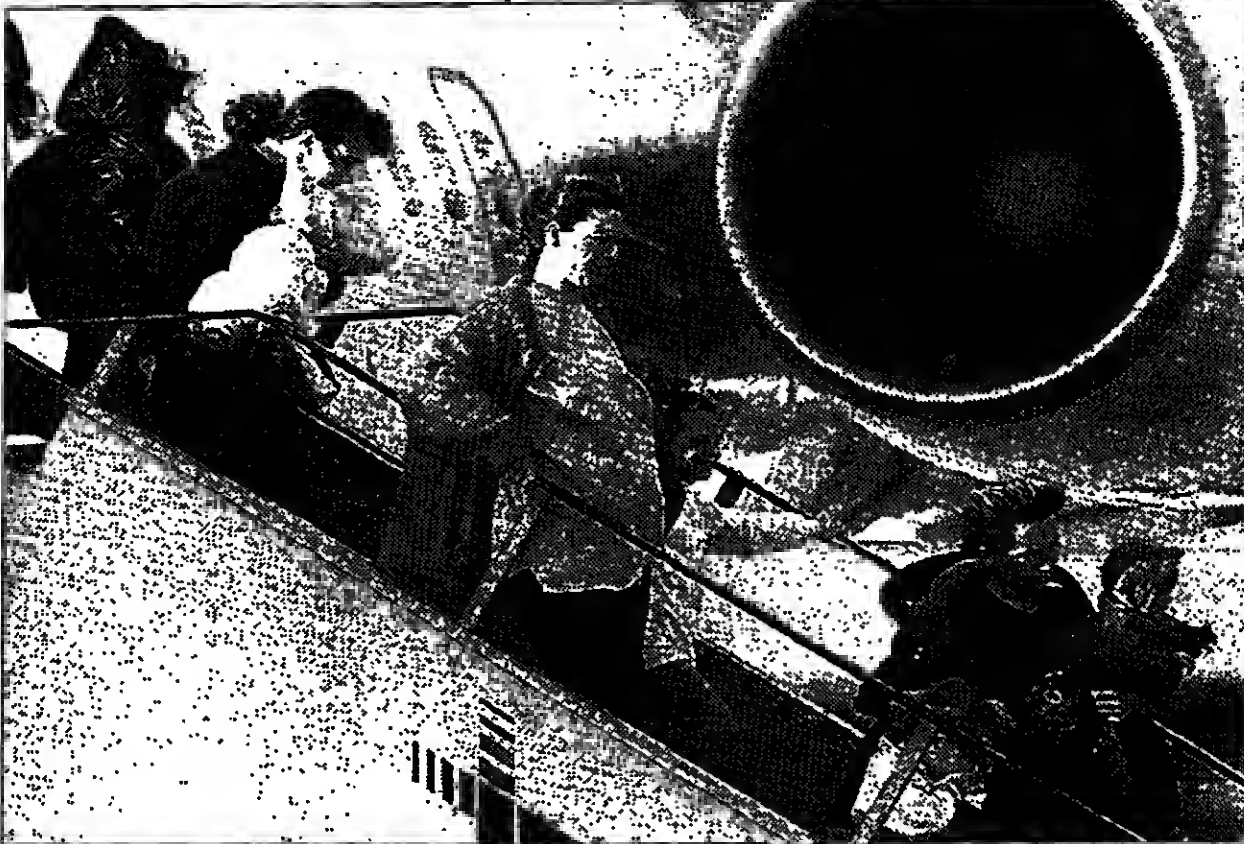
tionalists in Bosnia a reason to argue that their country was being occupied by the same forces that are bombing Serbia.

The bombing also exacerbated an already severe political crisis in Republika Srpska. In March, Mr. Westendorp in effect dismissed the republic's elected president, Nikola Poplasen, a radical nationalist who had refused for months to work with the moderate prime minister.

On that same day, an arbitrator in Vienna denied the Serbs exclusive control of Brcko, a city that connects two parts of their territory. Many Bosnian Serbs regard the city as an essential link for the survival of Republika Srpska.

The bombing, then, was seen as part of a triple whammy by the West against Serbs and has sharply raised the risks of violence, said Bryan Hopkinson, director of the Sarajevo-based Bosnia project of the International Crisis Group, a research organization funded by European governments and Western foundations.

"At worst," he wrote in a report last week, "the capacity might soon exist to mount an armed secessionist movement, at least for that part of Republika Srpska east of Brcko, perhaps using paramilitaries so that the political instigators would not be directly implicated." But Mr. Hopkinson, a former British ambassador to Bosnia-Herzegovina, said that any secessionist movement would be easily handled by peacekeepers.



Some of 161 ethnic Albanian refugees arriving Thursday at Vienna's Schwechat airport from Skopje, Macedonia.

EU's Daunting Roadmap to Kosovo Peace: Bosnia

By Barry James
International Herald Tribune

BRUSSELS — European leaders, who have offered to set up a civil government in Kosovo in any future peace settlement, said Thursday that any such administration would draw heavily on the EU's experience in running Bosnia-Herzegovina under the terms of the Dayton Peace Agreement.

But the Kosovo problem would be even more daunting than in Bosnia, where officials say the peace settlement still is fragile and artificial and could take another 20 years to consolidate. Kosovo would also require more resources than the EU has poured into Bosnian reconstruction, which includes the services of about 600 staff members and an investment of about 700 million euros (\$750 million).

The EU has not even begun to top up the cost of reconstruction in Kosovo, according to Chancellor Gerhard Schröder of Germany. But anything

would surely be less than a continuation of the war, he said.

At a summit meeting Wednesday night in Brussels, the EU called for Kosovo to be placed under an "international interim administration" backed by a UN Security Council resolution. Until now, EU leaders have been reluctant to support independence for Kosovo, for fear this would destabilize the region. Under the proposed arrangement, the province would remain an integral part of the federal republic of Yugoslavia, but the leaders recognized that the hundreds of thousands of ethnic Albanians who have been driven out of their homes in the past three weeks are unlikely to accept direct rule by Belgrade again.

While the leaders said the EU would be willing to establish a civil administration, they also called for the creation of a police force that reflected the composition of the population of Kosovo, the holding of fair and free elections and the deployment of international military

forces that would guarantee protection to the entire population.

The European Commission, the EU's executive body, has done some advanced thinking about bringing countries into the region into a web of economic and political partnerships. But lacking political will and cash from member governments, these plans are largely moot.

It was only three weeks ago that the leaders decided on an internal budget arrangement that would enable the EU to proceed with enlarging in Eastern and Central Europe by admitting Estonia, Poland, the Czech Republic, Hungary and Slovenia as well as Cyprus to full membership. Five other Eastern European countries await membership at a later stage, but outside these concentric circles a number of nations ranging from Ukraine to Macedonia have been left dangling in a kind of post-Communist limbo.

The challenge for the EU now, officials said, is how to bring the outsiders into a closer partnership, with the prospect, admittedly distant, of eventual membership. In summarizing the de-

liberations at the summit meeting, Mr. Schröder said the Balkan countries would be given the opportunity of "increasing rapprochement" to the EU.

In Bosnia-Herzegovina, the EU administration headed by a special envoy, Carlos Westendorp, has spearheaded the nonmilitary aspects of the Dayton peace agreement. It is responsible for finances, reconstruction, the return of refugees and institution building. Even there, the prospects for lasting success appear shaky, officials said.

The EU has financed the reconstruction or repair of thousands of housing units to encourage the resettlement of refugees and the internally displaced. But many of those homes remain unoccupied, either because people fear they lack security or because of a shortage of jobs. The task in Kosovo appears more daunting and becomes more complex the conflict continues.

The EU has no immediate funds earmarked for the task. It has diverted 250 million euros intended for the reconstruction of Kosovo to aiding Macedonia and Albania in dealing with a tidal wave of human misery.

"I'm worried about the kid, honey!"



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TRAVEL UPDATE

Rio Beaches Closed to Swimmers

RIO DE JANEIRO (Reuters) — Two of the world's most celebrated beaches, Copacabana and Ipanema, have been declared no-swim zones for a month because there could be raw sewage in the surf.

A pipeline that usually carries the city's sewage 4.3 kilometers (2.7 miles) out to sea began leaking in January and has been shut for repairs. Officials said repairs should be completed in two weeks.

In the meantime, sewage is being dumped from outlets much closer to the beach and visitors have been warned to stay out of the water all along the Rio coast.

Libya Sends Post-Embargo Flight

AMMAN (AFP) — The first commercial Libyan Arab Airlines flight landed at Amman's international airport Wednesday, following the suspension of a seven-year air and arms embargo on Tripoli, Jordanian officials said.

Jordan's national carrier, Royal Jordanian, will resume regular flights to Tripoli next week, said the director of the airline, Nader Dhahabi.

Pilots from U.S. airlines urged U.S. regulators not to ease restrictions on how far twin-engine planes can fly from emergency landing strips. The regulators are weighing whether to allow flights as long as 3 hours and 27 minutes from the nearest airport. (Bloomberg)

DEATH NOTICE

Morton Pauer — journalist, author, and book editor — died of a stroke at a hospital in Nice, France, on April 12. A staff writer for the Associated Press for a number of years, Pauer was dedicated to the fight for civil rights. His first book, *Freedom and Public Education*, was published by Praeger in 1953 and established his reputation in that field. During the 1960s, he was a Vice-President and Editorial Director at Praeger Publishers. In 1970 Mr. Pauer retired from Praeger and with his wife, Addie, moved to St. Louis, France. In 1974 his book *The Good Long Life: What We Know About Growing Old* was published by University Books. He is survived by his wife of 50 years.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

| Europe | | | | Asia | | | |
|----------------|-------|-------|--------|----------------|-------|-------|--------|
| Today | Low | High | Chance | Today | Low | High | Chance |
| Algeria | 64/68 | 72/76 | 0% | Algeria | 64/68 | 72/76 | 0% |
| Amsterdam | 54/62 | 64/68 | 0% | Amsterdam | 54/62 | 64/68 | 0% |
| Antwerp | 54/62 | 64/68 | 0% | Antwerp | 54/62 | 64/68 | 0% |
| Athens | 54/62 | 64/68 | 0% | Athens | 54/62 | 64/68 | 0% |
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The Battle for Kosovo / We're All Collateral Damage From NATO's Bombs

Yugoslavia Fights Two Wars: One With NATO and One With Itself

By Michael Dobbs
Washington Post Service

BELGRADE — There are two wars going on in Yugoslavia, a senior politician here said, lowering his voice. One is the war against the "foreign aggressor." The other is "a war within the country" over what kind of Yugoslavia will emerge from the debris of NATO bombs and cruise missiles.

In public, political leaders and intellectuals across a wide range of ideology have spoken with one voice in condemning a NATO bombing campaign designed to force the Serb-led Yugoslav government to accept a U.S.-drafted settlement for Kosovo — a province of Serbia, Yugoslavia's dominant republic.

Beneath the surface, however, it is not difficult to find signs of intense maneuvering and sharp differences among independent-minded politicians and members of President Slobodan Milosevic's government. Much of the debate has revolved around ties between Yugoslavia and the outside world and on whether the country should retreat into a nationalist cocoon. The question,

one official said, is whether Yugoslavia will "become a gulag after the war, or will we be more or less a normal country."

The power struggle is being played out in a debate over the fate of three American servicemen captured last month on the Yugoslav-Macedonian border, the presence of foreign journalists in the country during the war and in a continuing battle for control of what remains of the independent news media here.

A funeral was held Wednesday for one of the country's most prominent independent journalists, Slavko Curuvija, who was gunned down Sunday outside his home in the center of Belgrade, just days after being accused in the official news media of supporting the NATO bombing campaign.

Mr. Milosevic holds virtually all the reins of power through his control of both Yugoslav and Serbian security forces, the media and a huge majority in Parliament. He is flanked, however, by political leaders of vastly disparate and sometimes conflicting views — extreme Serbian nationalists, such as the Radical Party leader Vojislav Seselj, and more moderate figures, such as Vuk Draskovic, a former opposition leader who

joined the government in January. Mr. Seselj and Mr. Draskovic are deputy prime ministers.

A simmering feud within the government burst into the open this week, with Mr. Draskovic accusing his opponents of wanting "to build communism for a second time" on the country's "shattered ruins." Although he stopped short of calling for acceptance of NATO's terms for ending the Kosovo conflict, Mr. Draskovic said Yugoslavia had already won a moral victory and could not hope to inflict a military defeat on the U.S.-led alliance.

Mr. Seselj seized on Mr. Draskovic's remarks to accuse his longtime rival of defeatism and to brand him "a traitor."

The deputy prime ministers also have been at odds over the issue of whether to permit foreign journalists to remain in Yugoslavia. The Serbian Information Ministry, which is controlled by Mr. Seselj's party, issued an expulsion order for foreign journalists the day after the bombing began; the Yugoslav Information Ministry, which is in the hands of Mr. Draskovic's party, the Serbian Renewal Movement, immediately countermanded the order.

While Mr. Draskovic has suggested that the captured American servicemen could be released as a goodwill gesture to the United States, Mr. Seselj has publicly ruled out any such possibility and called for the soldiers to be tried as spies.

Despite their high-profiles, Mr. Draskovic and Mr. Seselj have little direct authority within the political power structure. In effect, they serve as surrogates for an ongoing debate within the inner circle around President Milosevic, enabling him to choose at any time between two diverging political paths.

By retaining the two men in the government, Mr. Milosevic is able to keep his political opponents constantly off-balance and present himself as a compromise figure. Despite his authoritarian ways, his power rests on the willingness of the voters to support him; his Serbian Socialist Party has won a series of relatively democratic elections over the past 10 years.

It is widely agreed here that Mr. Milosevic's power has only been strengthened by the NATO attacks. "NATO started an action to take power out of his hands, but after two weeks he has more power than he started off with," said Zoran

Djindjic, leader of the pro-Western Democratic Party.

A reasonably accurate picture of the state of public opinion here is provided by the distribution of seats in the Yugoslav Parliament after elections last year. Mr. Milosevic's party and its political ally, the Yugoslav United Left, led by Mr. Milosevic's wife, Mirjana Markovic, hold 105 seats. Mr. Seselj's party has 81 seats and Mr. Draskovic's 45. The Democratic Party boycotted the elections as a protest against what it said were unfair ground rules.

Milan Bozic, a supporter of Mr. Draskovic and deputy mayor of Belgrade, estimated that the bombings had probably reduced the ranks of democracy forces here from about 30 percent of the population to less than 20 percent. "The Democratic Party has no future anymore, they don't exist," he said.

"When this is all over," Mr. Djindjic lamented, "Kosovo will no longer be an important political issue, but we will have hunger and social unrest. That will not be very good grounds for democracy. We could turn into a European Iraq, destabilizing to the whole region."

Tears Mingle With Wariness As 1,000 Mourn Slain Journalist

By Steven Erlanger
New York Times Service

BELGRADE — About 1,000 people came out to bury Slavko Curuvija, an independent publisher who was assassinated this week. As air raid sirens sounded their own peculiar dirge through the lime and chestnut trees, his mourners tried to take courage from one another's public presence — their refusal to be intimidated in a troubled time.

Tears were mixed with wariness, as many of those who went Wednesday to Novo Groblje, Belgrade's main cemetery, quietly wondered if the killing of Mr. Curuvija would be the last.

"This was a political killing, aimed at independent journalism," said Zoran Djindjic, the leader of the opposition Democratic Party. "But it was also aimed at spreading fear across democratic Serbia."

Mr. Curuvija, the publisher of the daily newspaper Dnevni Telegraph and the biweekly magazine Evropljanin, was killed in front of his apartment building on Orthodox Easter Sunday as he was returning from lunch with Branka Prpa, a well-known historian.

Two men in black leather jackets shot him in the back, pistol-whipped Miss Prpa, and then, as he lay face down on the ground, shot him again in the head.

Mr. Curuvija, 50, was under a suspended five-month prison sentence for violating Serbia's draconian press law, passed in October, and the state tele-



Yugoslav anti-aircraft fire lighting up the night sky over Belgrade during a NATO raid on industrial targets.

vision and the tabloid Politika Express falsely accused him of favoring NATO's bombing of Serbia. The tabloid quoted Mirjana Markovic, the wife of President Slobodan Milosevic, as saying that "the owner of a Belgrade daily newspaper said he supports the United States in its desire to bomb Serbia." The writer of the article then continued, "This is, of course, Slavko Curuvija."

"These commentaries were like a death sentence," a senior Serb journalist said at the funeral. Mr. Curuvija, who had become a man of means, was once close to Miss Markovic. But he took his publications down an increasingly independent, serious and outspoken path.

Veran Matic, editor-in-chief of the once-independent radio station B92 —

taken over last week by the government — said Mr. Curuvija's slaying "was meant to be an example to anyone who intended to take the same road."

Mr. Matic said he believed that the killing would, boomerang, reminding Serbs that free speech can be easily lost. But the true effects can be only when NATO's bombings stop, he said, because it is almost impossible to criticize the Milosevic government while it is defending the country from outside aggression.

"We're all collateral damage from NATO's bombs — Curuvija, B92, the democrats," said another senior editor at B92. Mr. Curuvija himself, before he died, spoke against the bombing and bemoaned the inability of democrats and dissidents to speak out during what he

called "this war fever."

"I was concerned that many people would be too afraid to come" to the funeral, said Aleksandra Joksinovic, an official of the Democratic Party. "It's a horrible, tragic moment, but I'm glad people were not afraid to show their disgust at such brutality. We are against the bombs, of course," she added. "But Serbs must be united against the aggression, not fighting one another."

After the burial, a senior Serb journalist noted that few of the mourners were wearing the target logo worn at anti-NATO rallies. "This is normal Belgrade," he said, gesturing to the crowd. "In a way, this is a funeral for normal Belgrade." But he, too, mournfully, asked a reporter not to print his name.

Detritus of a Tragedy Nightmarish Scene Along Serbian Road Reveals Shattered Remains of Convoy

By Steve Erlanger
New York Times Service

ZRZE, Serbia — Along an 11-kilometer stretch of the Djakovica-Prizren road to southwestern Kosovo, about a dozen blackened corpses lay Thursday for journalists to see, 24 hours after a NATO air attack that clearly went very wrong.

They were evidence, Yugoslav authorities said here Thursday, of a "criminal NATO attack" on a long column of ethnic Albanian refugees in which 72 people died and several dozen were injured.

Along the road, which was lined with burned houses of ethnic Albanians, were four separate sites of devastation, with blasted tractors and burned cars riddled with holes.

The vehicles were surrounded by the detritus of these sorrowful lives, pushed and pulled from one spot to another by the vicious civil war here and then ended by a sudden and apparently mistaken attack from the sky.

There were fragments of NATO munitions all over the stretch of road, including a plate marked MK-82, a large American bomb.

Yugoslav authorities and refugees made available to reporters insisted there were no police or military vehicles or escorts with the refugees when the attack happened.

At the same time it was not inconceivable that the refugees were being used to shield other movements by the security forces, since some refugees said they had had a police escort at least part of the way.

And it is undeniable, from these same refugee accounts, that they were traveling away from their homes in Molic, close to the Albanian border, seeking safety — not returning home as Yugoslav authorities insist.

The six-hour bus trip from Belgrade to this spot, about 10 miles (16 kilometers) from Prizren, revealed a strong Yugoslav army presence, with tanks and armor bidden in the woods and overlooking the road.

There were also hundreds of burned out houses, a few still smoldering, their blackened concrete or brick walls still standing but their roofs and contents burned away.

Some of the houses bore shell or tank holes, and some were crushed as if armor had rolled over them. One mosque, near Djakovica, had also been destroyed, its tower laying broken on its cracking roof.

The air strike on the refugees here, however regrettable, was a blow to NATO's air war, and to its credibility. NATO has had to pull back from its assertion that it did not strike a civilian column and that Serbian authorities had instead fired on refugees in retaliation.

Collateral damage this time was not to Serb civilians but to the ethnic Albanians the NATO air war is intended to protect and defend.

"This was a classic criminal assault of NATO aggression on columns of displaced Albanians returning to their homes," a Yugoslav Army colonel, Slobodan Stojanovic, said.

The scenes were nightmarish. A burned tractor and trailer still held the charred bodies of the driver and his passengers, while in other spots on the road, bodies had been blasted apart.

One refugee who had been in the column, Jemaj Rama, 58, said his brother and sister-in-law had been killed and four family members injured in the attack.

"We were on the run long before the bombs," he said. "It's a war here."

As he spoke, a NATO plane flashed through the sky, and the sounds of deep explosions echoed in Kosovo's snow-capped and forbidding hills.

Helped by His Foes' Ineptitude, Yeltsin Rises Again

By Celestine Bohlen
New York Times Service

MOSCOW — Just a week ago, things were looking dire for President Boris Yeltsin: The Communist opposition had set a date for his impeachment; a fast-moving corruption inquiry was knocking on the gates of the Kremlin itself; NATO's bombs over Yugoslavia threatened to damage not only Russia's relations with the West but also the tenets of the country's fragile democracy.

It was then that Mr. Yeltsin, always at his best when things could not be worse, returned to the fray.

Back in the Kremlin after a long convalescence, the 68-year-old president held a series of meetings, ranted a few sabers, floated a few rumors and dropped a few hints, all intended to prove once again that for all his physical and political weaknesses, he is still the boss.

It may be only a passing victory, but Mr. Yeltsin's opponents seem to have been disarmed. The impeachment drive has been slowed, if not stalled. The corruption inquiry looks to be headed for

an impasse, as top Russian politicians, after heavy wowing by the Kremlin, back away from their support for Yuri Skuratov, the prosecutor under fire who has been enlisted by anti-Yeltsin forces.

And so far Mr. Yeltsin seems to have ridden the tiger of Russia's anti-Western mood long enough to stay ahead of his more bellicose opposition.

In all this, he has been helped by the ineptitude of his opponents.

"It is not that he is such a brilliant chess player," said Leonid Radzikovsky, a political commentator for the newspaper Sevodnya. "It is just that it's easy to win when your opponents can't tell the difference between a pawn and a knight."

As a lame-duck president with one year left in his term, Mr. Yeltsin these days is not looking to stage a comeback. His popularity ratings are so low he probably couldn't be elected to the city council in Yekaterinburg, his hometown.

But he is intent on keeping power — always the name of the game in Russian politics — and in so doing has emerged again as the key defender of Russia's hard-won democratic reforms.

"He is not a charismatic leader any more, to put it mildly," said Otto Latsis, a veteran political commentator, "and there is great popular resentment against him. But it is clear that we need to hold on to Yeltsin as long as possible so as not to allow these other fools to take his place."

Like many liberals, Mr. Latsis saw his faith in his president severely damaged by the war in Chechnya. For others, the Yeltsin era will be blighted forever by the rampant corruption and abuses of power openly tolerated by the Kremlin in the past seven years.

But in recent statements, Mr. Yeltsin has again confirmed his credentials as a democrat, ruling out the abolition of direct elections of Russia's regional governors and a ban on the Communist Party, and defending — as he always has — the freedom of Russia's unruly press.

Still, after the country's financial collapse last summer, a majority of Russians are just plain bitter — bitter about being poor and now, after NATO's show of strength in the Balkans, bitter about being weak.

Wages in Russia are on average 71.8 percent of what they were a year ago, and a staggering 38.2 percent of the people are living beneath the poverty line, compared with 22.4 percent in the first half of 1998.

Given this sour mood, nobody would declare an end to Russia's recurrent political warfare, let alone predict how it will turn out. If anything, with parliamentary elections just eight months away, the fight has moved to a new and increasingly intense phase.

To judge from Mr. Yeltsin's recent remarks, his fears of a reversal in the course he has set for Russia since 1991 now rest not so much to the Communist-dominated Parliament but in the government of Prime Minister Yevgeny Primakov, the former foreign minister whom he himself appointed last September.

The friction between Mr. Primakov and Mr. Yeltsin is an open secret after Mr. Yeltsin stated publicly last week that his prime minister was "useful" — for now. "Later, we will see," he said, raising the specter of yet another government shuffle.

CONVOY: Mistake Hurts NATO's Image

Continued from Page 1

human beings," Mr. Cohen said, according to new agencies.

[He said it was still unclear whether Serb forces were "intermingling with the civilians that they were flushing out or forcing out of Kosovo itself." He reiterated that allied forces "go to extraordinary lengths" to avoid harming civilians. Responding to accusations from Belgrade of a deliberate massacre, Mr. Cohen said it was President Slobodan Milosevic's forces that had forced more than a million people from their homes and carried out random slaughter of Kosovo's ethnic Albanians.

[He said: "For him to talk in terms of atrocities when in fact he has caused the displacement and the refugee status of 10 excess of a million people, where he has sent in 40,000 of his military, paramilitary, police, hooded thugs to savagely kill and slaughter at random and on a wholesale basis these innocent people, for him to talk about atrocities when an error occurred on the part of someone trying to carry out a mission to save their lives, I think is one of the most grotesque statements that I could conceive of."]

Other Allied leaders and NATO officials also harshly criticized the Yugoslav government for continuing to move ethnic Albanians out of their homes and then expressing outrage over the NATO bombing. "How now they produce crocodile tears?" Britain's foreign minister, Robin Cook, asked acidly.

Losing the information war is a prime concern to Brussels. For several weeks, NATO has been sustained by moral outrage over ragged refugees on the run from slaughter. Support for the allied assault is high in most Western countries. But recent days delivered a double whammy of adverse images: 10 civilians killed in a passenger train bombed by NATO and the tractor convoy bombing Wednesday.

"Milosevic hopes he can soak up punishment, and through outrage over collateral damage, he can win the propaganda campaign," a NATO diplomat said.

Serb officials in Belgrade said NATO jets had bombed two convoys of refugees, one along a road northwest of Djakovica to the Albanian border and another between Djakovica and Prizren to the south-east. They said 64 people had lost their lives. NATO admitted one bombing, northwest of Djakovica.

At NATO headquarters, officials broadcast an audio tape of the pilot explaining his actions. He said he had followed a trail from north to south of burned-out villages.

"What I found was a series of villages that had been set on fire, entire villages

set on fire," the pilot said. "I moved further to the south, orbit the area. I'm able to see underneath the cloud cover now to the second village that was on fire, and I'm able to see another smaller village that is even a fresher fire."

"So the picture that I'm building now," the tape says, is that Yugoslav forces are methodically working themselves from north to the south through villages, setting them ablaze and forcing all the Kosovars Albanians out of the villages."

After maneuvering over clouds that occasionally blocked his sight, the pilot saw "a three-vehicle convoy heading southeast from a burning house." They were uniform in shape and dark green, he said.

"I roll in on two passes to get a close look. I make a decision at that point that these are the people responsible for burning down the villages that I've seen so far."

He aimed and dropped the bomb. Earlier, he saw 60 vehicles that he identified as a civilian convoy and from which he had steered away.

In recent days, NATO has stepped up air operations along the Albanian border because of a buildup of Serbian artillery, tanks and soldiers. The beef-up creates "targets of opportunity" for NATO as the Serbs move anti-aircraft and artillery pieces around, a NATO diplomat said. However, the roads near the frontier are also a major route for refugees. Serb forces stepped up the clearing of Kosovo villages this week.

NATO is learning painfully that the bombing of Kosovo is comparable to neither the campaigns in Bosnia nor the seven-week air assault on Iraq during the Gulf War. Both much studied in advance of Operation Allied Force, Yugoslavia presents far greater topological problems and worse weather.

"Kosovo is not the desert of Iraq, with flat terrain, only military operating and perfect blue skies," Mr. Shea said.

NATO hopes the problem of hitting civilian targets or missing the mark on military objectives will be solved when air reinforcements arrive in the commitment of 300 jets requested by General Wesley Clarke, the Allied Force commander.

The added planes, which include in-air refuelers, will permit jet bombers to stay for longer periods over Kosovo and Serbia on the hunt for targets. The repeated passes of the F-16 pilot Wednesday were an example of a tactic NATO hopes to use more and more.

"We want planes all the time. The F-16 pilot was up long enough to spot a target," a NATO diplomat said. "Unfortunately, it was the wrong kind."

KOSOVO: Bombing Campaign for 'Many Months' Is Possible, Cohen and Shelton Warn

Continued from Page 1

to "get the Russians talking" as a way to ease Moscow's isolation and defuse the Russian nationalists' charge that Mr. Yeltsin's government is selling out Serbia, said that a Security Council resolution, if it could be passed, would not solve the impasse with Russia.

Assuming the Security Council embraced NATO's demands, the international resolution would be presented to Mr. Milosevic and probably would be rejected — with NATO air strikes continuing uninterrupted but with Mr. Yeltsin then liable to be accused of backing the West's war against Serbia.

The European allies would be less in tune with Washington if the Clinton administration suggested arming the Kosovo Liberation Army, the guerrilla force of ethnic Albanians fighting for independence from Serbia.

That step seemed close to public debate Thursday when General Shelton said that ultimately, if Mr. Milosevic refused to negotiate no matter how badly his forces were mauled by NATO air power, the weakened Serbian forces could be overpowered by a slowly reviving force of ethnic Albanian insurgents.

Intelligence reports, Mr. Cohen said, showed that the rebels of the Kosovo Liberation Army were not as weakened as some reports have said. While a few hundred have been killed, "many more have been radicalized by Milosevic's

forces" and eventually would defeat the Serbians.

Even one of the most vocal critics of the NATO operation, Senator James Inhofe, an Oklahoma Republican, said he was certain that there was no escaping a prolonged conflict. He argued that the ethnic Albanian insurgents were as violent as the Serbian forces and that the United States risked being bogged down in a war with no easy end.

"I'm going to do everything I can to stop us from getting into a protracted war," he said. "I'm going to lose. It's going to happen."

Mr. Cohen replied that the Kosovo Liberation Army "doesn't qualify as any kind of choirboy circle," but added that there was "no real moral equivalency" between what the rebels had done and what the Serbian forces have done.

But both defense officials said that NATO had no plans for a ground war with its own troops and expected the air war to succeed. Air attacks have eliminated Yugoslavia's capacity to refine oil and halved its ability to produce ammunition, Mr. Cohen said, adding that the Yugoslav military was starting to defect and Serbian men were fleeing Belgrade to avoid military service.

In Europe, analysts and officials said that, to some extent, the German peace initiative was designed to sustain public support for the NATO campaign for as long as it takes to produce a military outcome. Britain, publicly, the most

hawkish European ally, supports the German bid for a Security Council resolution underwriting the NATO campaign, and Foreign Secretary Robin Cook dismissed some questions Thursday about the German bid, saying that "it would be wholly wrong to present the German proposals as if they were suggesting a truce now to enable negotiations. They are not."

Acknowledging that there were omissions in the English-language version of Bonn's plan, especially regarding the 24-hour truce, the German official said that late-night trans-Atlantic phone calls Wednesday had been required for clarifications to the Clinton administration about details of the plan presented at the European Union summit meeting.

In an encouraging sign for Bonn, the German plan drew a favorable initial reaction Thursday from Viktor Chornomyrdin, the former Russian prime minister who has just been named by Mr. Yeltsin to be his representative on the Kosovo issue.

"That's where we're hoping to start, working with Chornomyrdin," the German official said, adding that Bonn was ready for exploratory conversations with Moscow but that developments would probably take time and start to materialize only after the summit meeting of NATO nations next week in Washington.

"It shows that Mr. Yeltsin wants to get Russia back into developments," another European official said, noting

that Mr. Chornomyrdin had worked on U.S.-Russian cooperation for several years with Vice President Al Gore.

Bonn's peace proposals apparently were close to language used by Madeleine Albright, the U.S. secretary of state, in her meeting Tuesday in Oslo with Igor Ivanov, the Russian foreign minister.

"They were really only one word away from agreement," the German official said, explaining that the Russians objected to a "military" international presence to supervise postwar Kosovo.

Bonn hopes to convince the Yeltsin government that it can only lose in international prestige if it continues to oppose NATO as the alliance crushes Mr. Milosevic.

Once the military retreat from Kosovo began, according to the German proposal, NATO would watch developments on a day-by-day basis, prolonging the truce only if the withdrawal continued.

The details of a postwar Kosovo would be left up to subsequent discussions.

The alliance has five demands: a verifiable stop to all military action and the immediate ending of violence; withdrawal from Kosovo of the military, police and paramilitary forces; unconditional and safe return of all refugees; agreement to negotiate on a new status for Kosovo and acceptance of an international military presence in Kosovo.

ASIA/PACIFIC

Anwar's Wife Faces A Daunting Crusade

She Becomes Field Commander of Opposition

By Mark Landler
New York Times Service

KUALA LUMPUR — For 75 days, she sat in the gallery of an austere courtroom here, bearing silent witness to the trial of her husband, Anwar Ibrahim, the dismissed deputy prime minister of Malaysia.

On Wednesday, Mr. Anwar was found guilty of corruption and sentenced to six years in prison. Now suddenly his wife, Azizah Ismail, has been thrust into the center of a gathering political storm.

"When Anwar was arrested, I realized I had to do something," she said in an interview here the morning after the verdict on her husband's trial. "I felt that this Southeast Asian country, if not, he would just fade away."

So the gentle, 46-year-old ophthalmologist formed a political party to topple the man who has led Malaysia for 18 years. Prime Minister Mahathir bin Mohamad. Unlike her husband, she is not a born politician. On some days, she confides, the crusade seems a crushing burden.

"There are times when the stress is unbearable," she said, as her suburban home echoed with the sounds of aides chatting on cellular phones and two small children scampering to peer at their mother.

"I have to head this party, my husband is behind bars, I have children at home," she said wearily. "But there is this tremendous, overwhelming support from the people, and I think, I can't let them down."

Mr. Anwar's harsh sentence has uncorked a fresh burst of anger in Malaysia, which has been roiled by anti-government protests ever since its former No. 2 official was charged with corruption and sex crimes in September. Several hundred students protested in Kuala Lumpur on Thursday, burning the flag of Malaysia's governing coalition and clashing with red-helmeted riot troops.

The unrest came after the police and thousands of protesters battled Wednesday on the streets of the old city.

Mr. Anwar, 51, has vowed to lead a campaign from his prison cell to topple the Mahathir government. But with his wife allowed to see him only once a month, he must rely on her to be his proxy and field commander of the campaign against his former boss and mentor.

Like Corazon Aquino in the Philippines, Mrs. Azizah could be a pivotal player in her country's future.

It is a daunting task. Mr. Mahathir's governing coalition has two-thirds of the seats in Parliament.

And though many people here were outraged by Mr. Anwar's trial, Mr. Mahathir, 73, still commands respect among Malaysians. Many credit him with turning this former British colony — with its mix of Malays, ethnic Chinese, and Indians — into a modern, harmonious country.

"Moral outrage does not translate into electoral victory," said K.S. Jomo, a political economist at the University of Malaya in Kuala Lumpur. "It will be an uphill battle for Azizah and company."

Even Mrs. Azizah acknowledged that before her husband's downfall, she rarely questioned the political culture

propagated by Mr. Mahathir. In fact, Mr. Anwar was a prime beneficiary of that system — a Muslim student leader who rose rapidly in the party and government as the prime minister's protégé.

"The system worked," she said. "But now the flaws are so much that you have to change things."

As she prepares for parliamentary elections, which will be held before June 2000, Mrs. Azizah is touring the country with a one-word message: justice — for her husband, and for Malaysia's dispossessed, who have suffered through a deep recession brought on by the collapse in Asian currencies.

Political analysts said her best chance for victory was to stitch together a coalition of opposition parties, including the Democratic Party, which is supported by the ethnic Chinese, and fundamentalist Islamic parties.

Her status as Mr. Anwar's wife cuts both ways with the politically ascendant Muslims.

At a mosque frequented by young supporters of Mr. Anwar, some said his wife was indispensable as the living symbol of their imprisoned leader. But Mohd Fadil, 32, who designs oil equipment, said, "I can't see her as prime minister. In a Muslim culture, we would choose a man."

Still, some analysts said Mr. Mahathir was more vulnerable now than at any time in his tenure — both because of the fierce reaction to the verdict and because of his health. He was just released from the hospital after a lung infection.



Mrs. Azizah looking over a newspaper article Thursday about the prison sentence handed to her husband, Anwar Ibrahim, the former deputy prime minister.

Fate of Vajpayee Government Debated by Indian Parliament

By Pamela Constable
Washington Post Service

NEW DELHI — The fate of India's coalition government remained in limbo Thursday as Parliament noisily debated its pros and cons for hours and opposition leaders held inconclusive meetings on whether and how to form an alternative government if the current one falls.

Prime Minister Atal Bihari Vajpayee and his coalition, which lost 18 crucial seats in Parliament on Wednesday when a key ally abandoned the government, appeared bolstered by new public opinion polls showing that a large majority of Indians prefer him over his chief opponent, the Congress (I) Party leader Sonia Gandhi, as head of government.

In addition, a much-heralded meeting Thursday between Mrs. Gandhi and Jayalalitha Jayaram, the powerful politician who deserted Mr. Vajpayee, appeared to produce few results.

Afterward Miss Jayaram, a South Indian party boss and former actress, declined to say what the two women discussed and suggested that Congress had not decided what action to take if Mr. Vajpayee's government collapses.

Parliament has been directed by President K.R. Narayanan to take up a vote of confidence as soon as possible on the wounded Vajpayee government, which has lost its narrow majority after less

than 13 months in power. Legislators are expected to vote Saturday.

Political analysts here give a slight edge to Mr. Vajpayee's chances of survival, especially given the disarray and open animosity among his opponents.

The prime minister, who heads the Hindu nationalist Bharatiya Janata Party, will need about 270 of 543 votes in the lower house to prevail. At the moment he can officially count on only 256.

But it remained unclear what side several crucial small parties would take, especially the group that rivals Miss Jayaram in her home state of Tamil Nadu. For her part, the larger-than-life politician, holding court this week in a New Delhi hotel suite, appeared supremely confident of victory.

"I can assure you, this government will fall on Saturday," she told reporters after meeting with Mrs. Gandhi. "After that, things will begin to happen at lightning speed."

But the talks between the two key opposition figures, intended to explore options for an alternative government, appeared to have yielded few results.

In Parliament, legislators argued with flourish, passion and frequent humorous asides over the successes and failures of Mr. Vajpayee's rule, while the prime minister and his aides listened, with alternating amusement and discomfort, through long hours of debate.

Pakistan Test Expands Race

Compiled by Our Staff From Dispatches

ISLAMABAD, Pakistan — Pakistan on Thursday tested a second nuclear-capable missile, increasing the stakes in the arms race with India.

This missile was the Shaheen-1, the first in a new series of surface-to-surface missiles, military and government officials said. The missile's range of 725 kilometers (450 miles) was considerably less than the Ghauri-2 ballistic missile tested by Pakistan on Wednesday.

"These flight tests have strengthened national security and will help in maintaining a strategic balance in South Asia," said a Foreign Ministry statement issued after the test.

India said there was no cause for concern and that there was no violation of a new agreement designed to improve relations between the two countries.

"They are doing it on the basis of their security concerns," Defense Minister George Fernandes said. "There is no violation of the Lahore declaration."

India and Pakistan pledged to improve ties and to inform each other about the testing of ballistic missiles under a declaration signed during Prime Minister Atal Bihari Vajpayee's goodwill visit to Lahore in February. (AP, AFP, Reuters)

JAPAN: Deep in Debt, Brother Kills Brother

Continued from Page 1

late in the evening, every day, all the time, and my grandfather changed his mind about this soon," Shigeru said. "He began placing a lot of faith in my father and less in Kagenori."

His grandfather was not the only one impressed by Satomi Ishimura's business sense. Shigeru, who is Mr. Ishimura's eldest son, remembers bankers urging his father to expand. And expand he did, opening a second factory in 1989 and a third in 1991.

"My father made some money and was a bit of a success," Shigeru said. "He owned three plants and the real estate underneath them, and he had a nice family and a good life."

But by the time the third factory was completed in 1991, Japan's economic miracle had gone bust, and Koyo's business shrank and wobbled.

Satomi Ishimura tried to sell the land under his factories to pay his debts, but land prices had collapsed. And bankers that once were so eager to lend him money now wanted to be repaid.

Shigeru Ishimura and his mother still have trouble believing the business failed.

Instead, they say that Kagenori deliberately ruined the business so that he could reap the profits that can be made from liquidation. That betrayal, they believe, drove Satomi to madness and murder.

Not so, counters Shinsuke Ishimura, Kagenori's only son. "I don't know what Shigeru told you, but we were indignant at the one-sided stories that ran in the local press that described my father as a bad guy who tried to take over the company," he said.

He declined, however, any further discussion of the matter.

But Shigeru Ishimura, his mother and their lawyers insist that Kagenori was a small-time gangster affiliated with one of the many *yakuza*, or organized crime families, that rule the underground economy. They say he made his living by working his way into struggling businesses and milking them to death.

"My uncle was quite good at making money out of bankruptcies," Shigeru said. "He would find a company on the brink of failure and convince the owners that they could make 1 billion or 2 billion yen by putting their company in bankruptcy."

Until a year or two ago, Kagenori and Satomi had maintained a rather distant relationship. Then Kagenori suffered a heart attack in late 1996 and ended up in the hospital, and Satomi paid some of the expenses, according to Shigeru.

After Kagenori left the hospital, he and Satomi grew closer. Satomi seemed willing to give his brother a second chance, and Kagenori seemed like a changed person.

Meanwhile, business conditions grew tougher for Koyo. Last spring, no banks would extend loans and business was slow. By May, it was effectively bankrupt, owing about \$17.6 million.

Kagenori said he had connections in the financial community who could help bail Koyo out, so he became an adviser to the company and started showing up at the offices.

Shigeru Ishimura said his uncle offered to help his father obtain a loan, but never did so.

At the same time, Mrs. Ishimura said, Kagenori was encouraging her husband to commit suicide.

Terushi Sugimoto, a former employee of Koyo, testified in court in February that once, at a restaurant, he had heard Kagenori tell his brother that many owners were committing suicide to take re-

sponsibility for their companies' failures and that it was an idea he should consider.

As the company's situation worsened, Shigeru's uncle convinced his father to write promissory notes to himself in the company's name that would allow him to get cash on a short-term basis.

To cash in some of the notes, they had to go to the black market, where they paid more than half of the face value in fees, and then the uncle also demanded a fee, according to Shigeru and his mother.

As it became clear that Koyo was headed for bankruptcy, Satomi Ishimura's mental state plummeted.

In the middle of July, Mrs. Ishimura insisted that her husband go to the hospital. "He wasn't my husband any more," she said.

Mr. Ishimura began taking tranquilizers and sleeping pills and seemed to stabilize.

On Aug. 5, the company defaulted on one of its promissory notes, a situation that often precipitates bankruptcy in Japan.

Mr. Ishimura and his brother quarreled over whether the company should be liquidated to raise cash or whether, as Mr. Ishimura wanted, it should pursue a court-administered bankruptcy.

That night, Mrs. Ishimura and her husband fled to a house they had rented in a nearby suburb to escape their creditors. She had bought a knife at her husband's instruction, and he brought it along.

"He said to me, 'Let's commit suicide together, please die with me,'" Mrs. Ishimura said, her eyes filling with tears at the memory.

"I accepted his request and was committed to die with him."

"I had to change my mind after looking at my children's faces," she said after a pause. "If my children lost us, my brother-in-law would be able to ruin our whole family."

She convinced her husband not to kill himself, and they returned to their home next to the company's factory just outside Osaka.

On Aug. 9, Mr. Ishimura met with Kagenori for the first time since the bankruptcy. Satomi Ishimura returned home agitated. "I could see immediately that he was in a very bad state," Mrs. Ishimura said. "I thought he had gone mad."

The family rushed Mr. Ishimura to a psychiatric hospital, where he was given medication to sedate him.

Midmorning on Sept. 16, the phone rang at Shigeru's house, where the family was then staying. It was Kagenori. After hanging up, Mr. Ishimura insisted on going to the office to meet his brother.

Keiko, Satomi's daughter, drove him there and went to the bank. She had just finished there when her mobile phone rang. It was her brother Shigeru, telling her that her father had killed her uncle.

In the following months, the Ishimura family has regrouped. Mr. Ishimura's defense has eaten up any money that materialized from the bankruptcy. The whole family is living together in Shigeru's tiny house on a narrow street of an Osaka suburb.

In a recent letter to his wife, Mr. Ishimura wrote of his brother: "His promises for arranging loans were all fake. It is a very stupid story, but as president, I had a responsibility to rehabilitate my company for my family, the bank and my employees."

"It was for that reason that I let my brother in. That was the stupidest mistake of my life."

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China Bars Dissidents From Sensitive Grave Site

COMMUNIST YOUTH CITY, China — The Chinese police closely monitored dissidents and a sensitive grave site Thursday to prevent public commemorations marking the 10th anniversary of the Tiananmen Square democracy movement.

For two hours, the police closed off the grave in southern China of the former Communist Party leader Hu Yaobang. His death April 15, 1989, started the protests that drew more than a million people to Tiananmen Square in Beijing and ended seven weeks later with the military assault that killed hundreds.

Cargo Plane Crash Kills 5

SHANGHAI — A Korean Air cargo plane crashed in a construction site and migrant workers' housing area minutes after leaving Shanghai's airport Thursday, killing at least five people.

Korean Air called it "a high possibility" that explosives destroyed the McDonnell Douglas MD-11, raising suspicions that North Korean terrorists may have been involved.

The plane dropped onto a construction site and plowed into the housing for migrant workers in an explosion that produced a blast but no smoke, said employees with Shanghai's Minhang district fire department who saw the crash.

The South Korean consul in Shanghai said all three crew members and four people on the ground were killed. But Korean Air said five people on the ground died and the fate of the crew was unknown. The conflicting accounts could not be reconciled immediately.

For the Record

Insurance companies feared damage exceeding 300 million Australian dollars (\$190 million) Thursday after a wild hailstorm battered Sydney, leaving one man dead.

BHUTTO: Sentenced to 5 Years

Continued from Page 1

ability," Miss Bhutto told the BBC. "And I did it for nothing but acknowledgment and love."

The two Lahore High Court judges who convicted her were serving on a special bench in Rawalpindi. It was one of those that was established to try corruption cases quickly under the so-called Accountability Act that Mr. Sharif proposed and Parliament adopted in 1997. Mr. Sharif subsequently appointed Saif-ur-Rehman, a senator, to head the anti-corruption Accountability Bureau that investigated the case.

Mr. Sharif, an industrialist who has alternated as prime minister with Miss Bhutto over the past decade, has himself faced corruption charges, including allegations that he took millions of dollars in unsecured loans from state-owned banks for his family's steel concerns and then defaulted on the loans.

Pakistan is renowned for public corruption. Miss Bhutto's husband, Mr. Zardari, became known in Pakistan as "Mr. 10 Percent" for his role as an intermediary in government deals. He amassed great wealth while his wife was in office, buying sumptuous jewelry and a lavish estate in England with his and his wife's gains, prosecutors say. He has been imprisoned since 1996 on charges of murdering Miss Bhutto's brother.

Miss Bhutto and Mr. Zardari were indicted six months ago on the charges of accepting kickbacks from the Swiss company, Societe Generale de Surveillance. The evidence used against them was gathered by Swiss investigators and Pakistan's Ehtesab, or Accountability, Bureau.

"The scheme of things contrived by the corrupt couple was so systematic and highly intriguing that it made the job of the Ehtesab Bureau very difficult," the bureau said in its statement. "The couple set up a number of offshore companies. They put up front men. The amount of commissions and kickbacks was channeled through the offshore companies to the Swiss accounts."

The government ostensibly hired the Swiss company to clean up the corrupt system for collecting customs duties on imports.



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THE AMERICAS

Balkan War Blows Out a Few Candles on NATO's 50th Birthday Cake

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The air war raging in the Balkans has altered in ways substantive and ceremonial a summit conference planned next week to mark the 50th anniversary of the North Atlantic Alliance.

Key decisions have been put off about the alliance's future and that of its military grouping, the North Atlantic Treaty Organization, and celebratory events that might have appeared unseemly while NATO planes are raining destruction on Yugoslavia have been scrapped.

The conflict in Kosovo has preoccupied one of the major decisions that was to have been made at the summit: Whether and under what circumstances the alliance would go into combat outside the territory of its 19 members.

The alliance also has decided to postpone any decisions about new members, partly to avoid further tensions with Russia, a strong opponent of

the air war against Yugoslavia and of NATO expansion.

And while the summit's final documents will contain modest new initiatives on combating proliferation of weapons of mass destruction and training military forces for new missions, these long-term programs are likely to be overshadowed by the Kosovo air war. It is the first real test of the alliance's cohesion and determination in a military crisis.

The most visible impact of the Kosovo conflict on the summit meeting will be in the social and symbolic events.

There will be no black ties at White House dinners for the 42 visiting heads of state, for example, nor will there be any big-name entertainers. There will not be a flyover by military jets, nor will a big-name television journalist be enlisted as master of ceremonies for the "commemorative event" April 23.

White House officials insist that they never considered inviting Barbra Streisand to partic-

ipate or Celine Dion or any other show business celebrities whose appearances were supposedly scheduled.

But they acknowledged that events that would have had triumphal or celebratory themes have been modified into working meetings, focusing on the Balkans crisis and the future conduct of the air war.

"The theoretical gala would have been terrific," Undersecretary of State Thomas Pickering said. "We would all have loved that. And while, of course, nobody desired to have this particular crisis at this particular time, it is another opportunity for us to indicate how important, serious and significant NATO is in dealing with the future of Europe."

A White House official said: "Under the circumstances it is natural to adjust the tone to what is happening." He spoke Wednesday as NATO planes began their fourth week of bombing Yugoslavia in an effort to force its security forces out of Kosovo Province.

"What it has really meant for us as planners is that we have had to stay flexible on the details much longer than we normally would," said Richard Secarides, a White House official who is the summit conference's "chief operating officer."

"A decision was not made on an air for the dinners until late last week, so invitations are just going out now," he said.

The dinners he was referring to are White House events scheduled for April 23 and 24, the first for the heads of state of the 19 current members of the alliance and their spouses, the second for the heads of state, spouses, cabinet officials and other dignitaries from the NATO countries and 24 countries of the Euro-Atlantic Partnership Council, many of which aspire to NATO membership.

The council, which includes former Soviet satellites from the Warsaw Pact and former Soviet republics, has a limited security cooperation agreement with the alliance.

The NATO summit will be the largest gathering of heads of state ever in Washington.

Russia is the only member of the partnership group that declined to take part. Before the bombing started, the State Department listed "deepening cooperation with Russia" as one of the alliance's objectives for the summit meeting.

As envisioned by the Clinton administration and other alliance members, the 50th-anniversary summit was intended to resolve the questions facing the alliance now that the threat it was established to oppose no longer exists.

This included whether and when the alliance will take on missions outside the territory of its members.

Administration officials, alliance diplomats and independent analysts agreed that Kosovo has answered that question.

What Kosovo has not done, officials and analysts said, is provide a useful precedent for determining when another such action might be required.

Looking to Keep Genetic Codes Public

Drug Firms Want Keys to New Medicines Before Upstarts Claim Them

By Justin Gillis
Washington Post Service

WASHINGTON — Ten of the world's largest drug companies are joining forces with five of the leading gene laboratories in a program to unravel many of the tiny genetic differences that underlie the diversity of the human race.

The collaboration, announced in Chicago, is partly designed to ensure that upstart biotechnology companies do not patent discoveries about important genetic differences and lock out competitors that want to create drugs based on that information.

The drug companies are betting these genetic differences will become a fundamental resource for 21st-century medicine, and they want as many of them as possible kept in the public domain.

Joined by the Wellcome Trust, a leading British charity, the drug companies will spend \$45 million to hire the five

gene laboratories for a two-year research program aimed at discovering 300,000 common genetic variations. The research the laboratories produce will be disseminated on the Internet and in other forums at least every three months, ensuring that it cannot be patented.

The companies involved in the consortium are AstraZeneca PLC, Bayer AG, Bristol-Myers Squibb Company, F. Hoffmann-La Roche, Glaxo Wellcome PLC, Hoechst Marion Roussel AG, Novartis, Pfizer Inc., Searle, and Smith-Kline Beecham PLC.

The drug companies want to discover genetic differences that influence whether people get cancer, heart disease, stroke or other ailments, how likely they are to survive such illnesses and how they respond to treatment with drugs. The research may well offer clues to the origin of traits as varied as eye, hair and skin color, height, weight, sexual orientation, mental illness and many as-

pects of human behavior.

Francis Collins, director of the National Human Genome Research Institute in Bethesda, Maryland, said the project would complement the Human Genome Project, the vast international undertaking he heads. That research program aims to produce a complete map of the human genetic code no later than 2003.

The map, while hugely valuable as a guide for medical research, will represent no single human being, but rather a sort of average. The drug company project aims to find many of the ways in which people diverge from the average.

In part, the drug companies are reacting to concerns that small, nimble biotechnology companies, whose specialty is genetic research, will outmaneuver them.

Several American and European biotech companies are looking for important genetic differences, with an eye to patenting any knowledge they uncover.



Dolores Manzie being removed from the courtroom after exploding in anger during her son's sentencing.

Away From Politics

• U.S. newsrooms still are overwhelmingly white and male, according to findings presented at the annual convention of the American Society of Newspaper Editors. The percentage of Asian-American, black, Hispanic and American Indian newsroom employees rose to 11.55 in 1998 from 11.46 in 1997, the society reported. (AP)

• A 17-year-old was sentenced for strangling an 11-year-old by a court in Toms River, New Jersey. Samuel Manzie was sentenced to 70 years in prison after pleading guilty to strangling the sixth-grade boy, who had been selling candy and gift wrap door-to-door to raise funds for school. (NYT)

• A gunman at the Mormon Church's Family History Library, a top center for genealogical research in Salt Lake City, Utah, wounded at least five people before he was shot by police. The condition of the gunman was not known. (AP)

• A van driver pleaded guilty in a crash that killed seven, all members of a magazine sales crew. The police said that Jeremy Holmes, who pled guilty to vehicular homicide in Beloit, Wisconsin, had tried to switch places with a passenger because he had been seen speeding and had no driver's license. (AP)

• Two brothers were charged with killing an 8-year-old boy, Russell and Adrian Peeler, both in their 20s, were charged in a Bridgeport, Connecticut, criminal court with killing the boy and his mother, apparently to prevent the boy from testifying against one of the brothers in a murder trial. (NYT)

POLITICAL NOTES

No Shutdown Seen Over Census Dispute

WASHINGTON — Key Republicans in Congress say they will not force a government shutdown this summer over the 2000 Census, making it more likely the White House will win in the lengthy dispute over how to conduct the population count.

The Clinton administration and Republicans have been waging a bitter fight over whether the census should rely on a traditional door-to-door count or use a huge survey of households to adjust the population numbers. Democrats say a survey would compensate for millions of Americans missed in the head count. Census figures are used to distribute tens of millions of dollars in federal funds.

Acknowledging that they cannot overcome a presidential veto, Republican leaders on Wednesday signaled plans to cool the battle in the Congress. They vowed to continue fighting in court.

The clash has threatened to shut down part of the federal government when an appropriation expires June 15. (WP)

Gingrich Still Active

WASHINGTON — Out of the limelight for the first time in two decades, the former House speaker, Newt Gingrich, has been quietly fattening his personal bank account, on target to make at least \$3 million in lecture fees alone this year while laying the groundwork to maintain his influence in national politics.

Mr. Gingrich made his first appearance in Washington in months Wednesday as he was feted by hundreds of lobbyists, politicians and other supporters at a dinner that organizers said will raise close to \$1 million for his political action committee and his favorite charity, the Juvenile Diabetes Foundation. (WP)

Quote/Unquote

Zhu Rongji, prime minister of China, complaining about the amount of time he has spent talking about human rights during his U.S. trip: "I practically have blisters on my mouth." (NYT)

FAT: Americans Find the Seat a Tight Fit

Continued from Page 1

Force researchers on a \$6 million study on the changing shape of Americans. As part of it, more than 5,000 volunteers nationwide are being measured in more than 100 ways with laser technology. The study, the most elaborate of its kind in decades, is being sponsored by about two dozen top companies in virtually every industry where knowing the width of Americans is vital: General Motors, Ford, Boeing, Levi Strauss, even Caterpillar tractors.

"Nothing like this has been done in a long time," said Gary Pollak, a coordinator of the three-year study. "Everyone senses the shape of Americans is changing, but we really need to know exactly how."

That they are getting heavier is hardly a secret. A number of recent government and university studies have warned of the trend. Some have reported that the average daily calorie intake of men and women is rising sharply, that more than half the country's adults are overweight and as many as one-third obese — figures much higher than decades ago.

The weight increases are apparent, in varying degrees, in every region of the country. And with baby boomers settling in to the weight-gaining prime of middle age and many teenagers tearing into endless "super-size" fast-food meals, scales across the nation are expected to tip even more in the years ahead.

For seatmakers and companies who are their clients, the implications are profound.

"We don't want someone sitting in one of our cars or trucks being remodeled every day that they're getting bigger," said Marilyn Vals, an analyst for Lear Corp., which designs seats for some of the nation's leading automotive manufacturers. "Across the industry, we're realizing that with demographics and sizes changing, we're going to have to be more accommodating."

Kevin McGuire, who runs a national consulting firm that advises performing arts centers on seating, said that industry has begun to learn the same lesson.

At his urging, the restoration of Seattle's old Cinerama theater includes a few dozen seats 24 inches wide and tailored for the obese. Many other seats in the theater also will have armrests that

lift and more space between rows, all to make bigger people comfortable. Mr. McGuire is even training staff members in how to make subtle overtures to obese patrons who might not be aware of the special seating available to them at the theater.

"More of my clients definitely are starting to understand that more people are having a difficult time getting into seats," Mr. McGuire said.

But some seating critics say the signs of change evident here in Seattle are still the exception. In many industries, providing bigger seats often means having fewer customers and thus earning less profit.

Space in some new sports arenas is even getting tighter. To pack in more fans — and to make more money to keep up with escalating player salaries — some arenas are stacking seating rows closer together and offering seats that are wider than 18 inches only to their "premium" ticket subscribers.

"Our society is changing, but our seats aren't really changing with it yet," said Vicki Wood, the vice president of the Washington state chapter of the National Association to Advance Fat Acceptance. "Most fat people don't want to draw attention to themselves by making a big issue of this, but it should be obvious that more people are uncomfortable."

Even analysts in industries that depend on fitting people into seats say the measurements they use are a bit vague, or becoming obsolete. Mr. Pollak said that the main reason so many prominent companies were paying so much for a new study on Americans' size was that they were losing confidence that their seats fit customers' needs.

"They all want new averages so they can feel more secure with new products," he said.

Doug Oswald, who manages product research and design at American Seating, a leading manufacturer of bus and stadium seats, said that standards the company has used for years were being revamped. For example, the company introduced a new office chair last year that is two inches wider than previous models.

"The population has grown faster than the products being designed," he said. "Everyone is trying to catch up."

REPUBLIC OF CAPE VERDE

Announcement of Privatisation By International Public Tender of State Owned Financial Sector Institutions

The Unidade de Coordenação do Projecto de Privatizações e Regulação Institucional (Privatisation Unit) of the Republic of Cape Verde, in accordance with the Law on Privatisation of the Republic of Cape Verde, Decree Law 70/98 and Resolution 74/98 of 31st December, 1998 announces the sale, by international public tender, of state owned shares in three (3) financial sector institutions with interlocking shareholdings, according to the following criteria and terms: (i) as a financial group, or (ii) as three separate individual institutions, and/or (iii) any combination thereof.

| Name | Type of Institution | No of State Owned Shares | No of Shares for this bid | % of Institution for this bid |
|-----------|-------------------------|--------------------------|---------------------------|-------------------------------|
| BCA | Commercial Bank | 775.000 | 525.000 | 52.50 |
| GARANTIA | Insurance Company | 96.620 | 91.789 | 45.895* |
| PROMOTORA | Venture Capital Company | 255.000 | 180.000 | 40.000* |

*The Government will contractually ensure that management control will be held by the successful bidder

The bid package containing the Confidential Information Memoranda and other pertinent bid documents may be acquired at a cost of Euro 20,000 Euros from the Privatisation Unit (UPR) at Largo do Cruzeiro - Ténis, Praia, Cabo Verde, telephone (238) 61 23 19. Fax (238) 61 23 34. email: cvprivatization@mail.cvelecom.cv.

Any request of information, questions or clarification regarding the bidding process may be addressed to the Bid Committee at the Privatisation Unit, at the above indicated address.

The bid proposals must be submitted by 16h00, local time on Friday, July 9, 1999, at the office of the Privatisation Unit, Largo do Cruzeiro - Ténis, Praia, Cabo Verde, in wax sealed envelopes according to the instructions contained in the Resolution n°74/98 of December 31, 1998, published in the official gazette n°48, Serie I.

The bid proposals opening session will take place at 10h00, local time on Monday, 12th July, 1999 in the Ministry of Finance, Praia, Cabo Verde.

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EUROPE/INTERNATIONAL

Prodi to Have Wide, New Powers as Head of the European Commission

By Barry James
International Herald Tribune

BRUSSELS — With support from European governments and extensive new responsibilities, Romano Prodi seemed assured on Thursday of becoming virtually the prime minister of the European Union.

European leaders made it clear at a special summit meeting here on Wednesday that they expected Mr. Prodi, the president-designate of the European Commission, to be a strong and independent leader.

As a former Italian prime minister, Mr. Prodi has the advantage of having shared the top table with all of the current EU heads of state and government. European governments respect him as a capable leader who turned around the Italian economy and made the country eligible to join the European single currency.

As someone who also transformed the Italian tax system and began the Herculean task of reforming its civil service, Mr. Prodi is seen as

the person to introduce radical changes at the commission.

He faces a daunting array of tasks, starting with cleaning up the inefficiencies of the commission itself, and rooting out dubious practices that led the present commission to resign collectively last month.

He will also be a key player in the eventual political and economic reconstruction of the Balkans region. And he will have the job of leading the European Union from a single currency to a single economy, with inevitably a greater degree of shared political decision-making.

Mr. Prodi has defined the three watchwords of his future administration as efficiency, openness and accountability, which happen to be also what the member governments and the European Parliament are demanding. If he succeeds in meeting these demands, the commission could emerge with enhanced powers and reputation.

But while he will be expected to increase the ability and efficiency of the commission as the motor of European integration, he will have to do

so in a way that does not impinge on the jealously guarded sovereign rights of the individual member states. After an amiable dinner with the other leaders Wednesday, he said that he would confine the work of the commission to "only a few important things," respecting the so-called principle of subsidiarity, in which decisions are made at the lowest possible level.

Mr. Prodi said he would begin putting together his team immediately after his confirmation by the European Parliament early next month. He will then present the entire commission for confirmation by the new Parliament, to be elected in June, at its first sitting late in July, meaning that the new executive will not be in place until August or even September.

Mr. Prodi said he and government leaders had begun drawing up profiles of the kind of people they want on the new commission, without as yet naming specific names.

Chancellor Gerhard Schröder of Germany said that the commission would no longer be considered a parking lot for political has-beens.

He said that future commissioners would be selected on the basis of their economic and political skills, as was Mr. Prodi.

New commissioners will also have to be acceptable to the new president, who, under the Amsterdam treaty about to come into effect, has powers of co-decision with governments in choosing the new commission and may reject or fire commissioners.

As the recognized leader of the commission, rather than a first among equals like his predecessor, Jacques Santer, Mr. Prodi can also reject anyone he does not like, and will be able to dismiss commissioners who do not live up to expectations.

In choosing the former prime minister of Luxembourg, Mr. Santer, to head the commission five years ago, governments signaled a turning-away from the period of ambitious market and economic reforms introduced by his predecessor, Jacques Delors, whose policy had been to introduce programs first and worry later about financing them and carrying them out.

Mr. Santer's administration has been more low-key and technocratic, and in the opinion of many analysts did a first-rate job in introducing the single currency. But governments now seem to be looking to Mr. Prodi to give the commission a higher political profile.

Mr. Santer advised his successor to be prepared to foot the bill. One problem of the Santer commission has been that it has constantly been given new tasks to perform without the corresponding resources in manpower or cash. To carry out its tasks, it has often had to turn to outside agencies, and it is in this area in particular that allegations of corruption and nepotism have arisen.

In the meantime, despite opposition in the Parliament, the present commission remains in place in a caretaker capacity. Mr. Santer will have to step down in July if, as expected, he wins a seat to the Parliament, since the commission recently adopted a code of conduct banning double mandates.

Britain Authorizes Start Of Pinochet Extradition

By Tom Buerkle
International Herald Tribune

LONDON — The British government on Thursday authorized the start of extradition proceedings against General Augusto Pinochet, significantly increasing the likelihood that the former Chilean dictator will have to face charges of torture in court.

The ruling by Home Secretary Jack Straw, Britain's highest law enforcement official, dashed the hopes of Mr. Pinochet's supporters that he might be freed because of a British court decision last month that dismissed all but three of the 32 charges for which a Spanish judge had sought his extradition.

Mr. Straw made clear that the remaining charges were sufficient and that the Spanish extradition request was well-founded. He concluded that Mr. Pinochet "does not enjoy immunity in relation to the extradition crimes of conspiracy to torture and torture," the Home Office said in a statement.

President Eduardo Frei of Chile said Thursday that Chilean justice must prevail in the case of Mr. Pinochet. Agence France-Presse reported from Berlin, "The slow progress of the judicial process clearly shows that the Chilean government is right to demand that the British and Spanish governments let Chilean democracy deal with its past itself," said Mr. Frei, who was on a visit to Germany.

Patrick Robertson, a spokesman for Mr. Pinochet, condemned the ruling as "astonishing." He said it showed that Britain "wants to prosecute the general." Margaret Thatcher, the former prime minister, who entertained Mr. Pinochet at her home shortly before his arrest in London in October, called the ruling a "vindictive political act."

Human rights groups, which have supported the extradition attempt, cheered the ruling. "We are extremely pleased that Jack Straw has recognized that even one case of torture is one too many and constitutes a crime for which General Pinochet must be put on trial," said Brendan Paddy of Amnesty International.

Efforts to extradite Mr. Pinochet, who remained under police guard at a home southwest of London, still face many legal hurdles. His lawyers were expected to appeal Mr. Straw's ruling to the High Court in London, even though most legal experts gave them little chance of success. The extradition process itself contains several appeal possibilities and can drag on for several years, a lengthy outlook for an 83-year-old man.

Britain's Law Lords ruled last month that Mr. Pinochet does not have immunity as a former head of state, confirming a December ruling that was voided after one of the Lords admitted to having a conflict of interest. But the Law Lords said Mr. Pinochet could be extradited for offenses committed after



Home Secretary Jack Straw authorized the start of extradition proceedings against General Pinochet.

1988, when Britain signed an international convention against torture.

The ruling eliminated most of the Spanish charges, which stemmed from the earlier years of Mr. Pinochet's 1973-1990 rule. Lord Browne-Wilkinson, who chaired the seven-member panel of Law Lords, urged Mr. Straw to reconsider his earlier decision to allow extradition to proceed.

But after studying fresh representations from all parties, Mr. Straw decided that extradition hearings should proceed. Significantly, he said he looked at the 1988 charges where they were relevant to the charges from later years, a fact that human rights groups said could help prosecutors establish a conspiracy to torture.

With Only One Candidate, Algerians Shun the Polls

By Charles Trueheart
Washington Post Service

ALGIERS — Algerian voters stayed home in droves Thursday as the lone presidential candidate, Abdelaziz Bouteflika, was expected to coast to what one Algerian newspaper headline called "victory by default."

Algeria's first presidential election in four years, seen by many only days ago as a promising opening to democracy in the authoritarian North African state, lay in tatters on election day following a last-minute decision Wednesday by all six of Mr. Bouteflika's opponents to end their candidacies.

They charged fraud by the outgoing president, Liamine Zeroual, and the generals who govern behind him — ballot-stuffing and other irregularities designed to give Mr. Bouteflika enough votes to avoid a runoff election he might have lost.

State-run radio put the turnout at 6 P.M. at above 50 percent, but that figure was not considered by election watchers to be necessarily reliable, let alone indicative of what official Algerian government figures might turn out to be.

The withdrawal of the six opposition candidates, including three with substantial popular support, did not stop some of Algeria's 17.5 million registered voters from choosing one of them anyway.

"I voted because I'm Algerian. It's my job," said Rubah Belamri, a law student who said he voted for one of the six. "They can't say they're not candidates. They campaigned."

Many, possibly most, voted for Mr. Bouteflika, a former foreign minister who left Algeria nearly two decades ago. He was persuaded to run to succeed Mr. Zeroual by several parties close to the government and an important faction of Algeria's military leaders. The army is an important institution in Algeria, born of revolution against colonial France in 1962 and tested for much of the '90s by a brutal terrorist insurgency led by Islamic fundamentalist warriors.

"I voted for peace," said an administrative secretary, Farida Chabane, who said she voted for Mr. Bouteflika. She called the withdrawal of the other candidates "shameful — the world is looking at us."

Meriem Akouchie, a 20-year-old student voting for the first time, said she was disappointed at the lack of a choice, but "I was determined to come no matter what. We have suffered too much."

Others who came to the Malek ben Rabia School's polling stations in the bayside Bab-el Oued district of this sprawling, tenement-pocked city were more resigned.

"This last-minute thing wrecks everything," said Toufik Feddal, a computer engineer. "It will be very, very difficult for Bouteflika to govern."

But these people were apparently in the minority who turned up at polling stations, which were also empty of representatives of the six. Such was the sense of inevitability that in this school only 4 of the 12 voting rooms had Mr. Bouteflika's representatives on hand.

"A single candidate! What a disappointment for Algeria," said Athmane Mendjouri, otherwise unemployed, who worked Thursday as an independent polling station assistant.

"It'll be the same regime," he said. "The same power. Always the same faces."

Only one of this year's original seven candidates did not hold some prior position in a previous government — a fact that suggests the limitations of what pluralism realistically means in Algeria.

Down by the beach, in an open air cafe, a young man named Taleh lounged in a Nike cap and Champion windbreaker, not bothering to vote. "It's been decided already," he said. "There's no need to vote."

Taleh is part of several huge Algerian populations today: nonvoting, unemployed, young. Algeria's population has more than doubled since the 1970s, and 70 percent of its people are under 30.

Mr. Bouteflika would not be sworn in as president until next Wednesday or Thursday, but his ability to govern will be tested immediately.

A few of the six candidates announced a march in central Algiers for Friday, the Muslim holy day, to protest the way the election turned out. Such an assembly under fast-breaking political circumstances is at best unpredictable, possibly prone to scattered provocations and violence.

Israeli Court Sentences Deri

By Deborah Sontag
New York Times Service

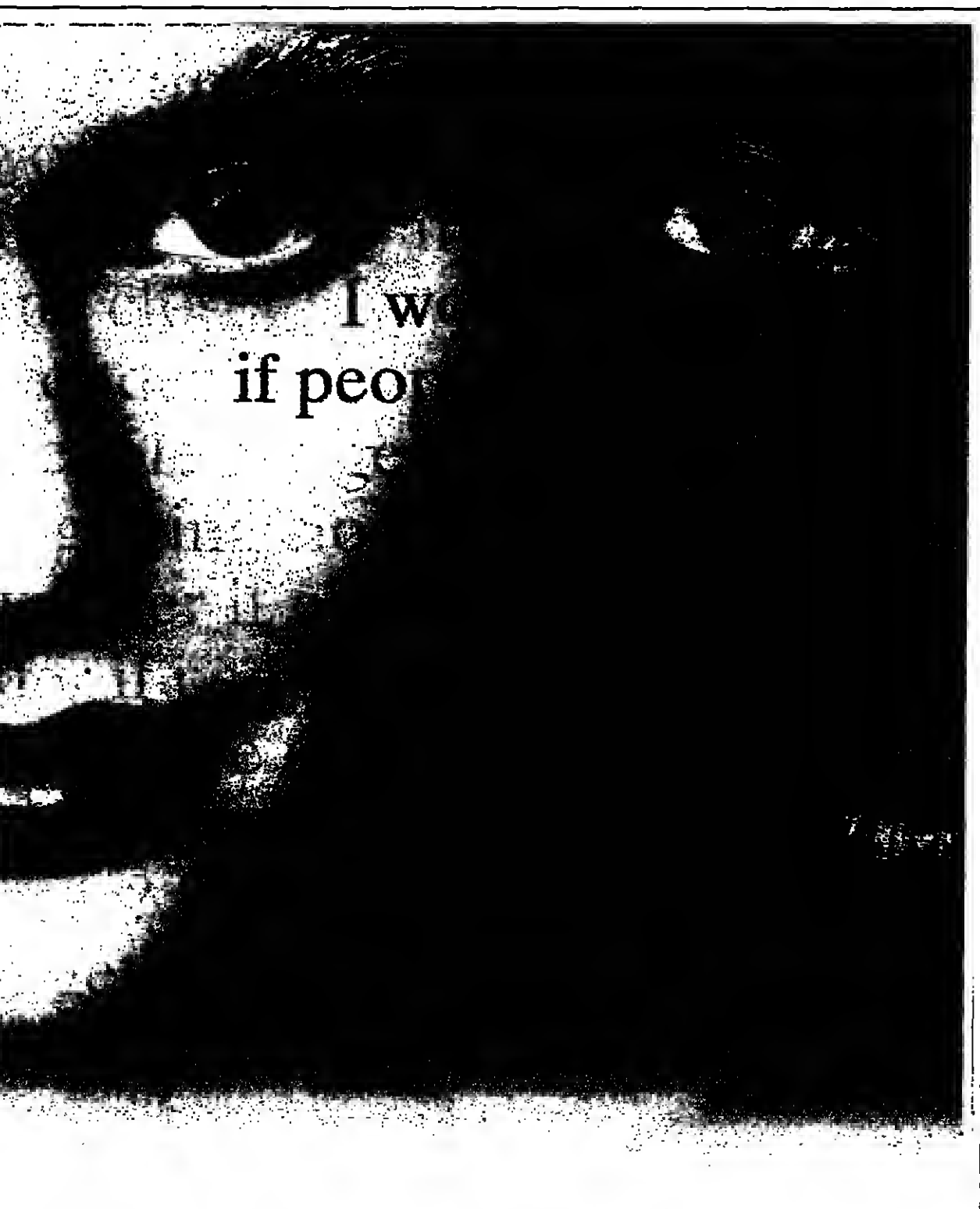
JERUSALEM — Can a key Israeli power broker still make and break governments from a jail cell? That was the question here Thursday when an Israeli court sentenced Aryeh Deri, a close ally of Prime Minister Benjamin Netanyahu, to a four-year prison term for corruption.

A three-judge panel found that Mr. Deri, 40, leader of the ultra-Orthodox Sephardic Shas Party, was guilty of a "dishonorable" crime. Under Israeli law, that prevents him from serving as a government minister for the next 10 years.

But he can still run for Parliament as the head of the third-largest party in Israel. He can still negotiate his party's place in a coalition government after elections May 17, if the government is willing to make deals with a convicted felon.

Mr. Deri, who faced a maximum sentence of 21 years, said he would appeal to the Supreme Court. If he does, the lower court has agreed to suspend his sentence until the appeal is decided. In most cases, that would take about 18 months.

The effect on Shas is unclear, but simply losing or gaining a seat in Parliament — it now has 10 of 120 seats — could change its status as a coalition partner in any future government.



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Anthony Newley, Co-Writer Of 'Stop the World,' Dies at 67

STUART, Florida — Anthony Newley, 67, a British entertainer known for the stage hit "Stop the World — I Want to Get Off" and the 1967 film version of the children's classic "Doctor Doolittle," died Wednesday of cancer.

The actor, playwright, composer, lyricist and singer was first diagnosed in 1985 with renal cell cancer and had one kidney removed. After years of good health, the cancer returned in 1997.

Mr. Newley, former husband of the actress Joan Collins, shot to fame as the Artful Dodger in the 1948 film version of "Oliver Twist."

During his heyday, he had a series of hit records, appeared in a string of films and was a frequent performer in Las Vegas.

Mr. Newley co-wrote the score for the hit musicals "Stop the World — I Want to Get Off," "Willy Wonka & the Chocolate Factory" and "The Roar of the Greasepaint — The Smell of the Crowd."

Nicola Trussardi, 56, Designer Of Luxury Accessories in Italy

MILAN — Nicola Trussardi, 56, whose luxury accessories made him one of Italy's most popular fashion designers, died Wednesday after being severely injured in a car crash.

Police were investigating the crash, which occurred early Tuesday on an exit ramp on the outskirts of Milan.

The designer Gianfranco Ferré praised Mr. Trussardi for his "tireless dynamism."

A graduate in economics from a Milan university, Mr. Trussardi in 1970 joined his grandfather's glove factory and went on to run the company after the death of his father and elder brother.

In 1983, he created his first women's collection, followed by a men's line in 1984.

BoxCar Willie, 67, Performer Who Sang of Life on the Road

BRANSON, Missouri — BoxCar Willie, 67, a country-and-Western singing star who blended a mellow voice with a rough-hewn hobo persona, died Monday after a long battle with leukemia.

With his overalls, floppy hat, beard stubble and guitar, BoxCar Willie, born Cecil Martin, sang of life on the road in rural America to become one of the most recognizable figures in country-and-Western music starting in the 1970s.

Jerold Hoffberger, 80, who owned the Baltimore Orioles when they won five American League pennants and two World Series titles in the 1960s and 1970s, died Friday in Baltimore after collapsing during a business meeting.

CROSSWORD

ACROSS

- Court systems
- Bailed out, in a manner of speaking
- Principle of economy
- Individual shares
- It may be red or black
- Salutary site
- Move
- Influences
- Other and others
- In bridge, the player on the dealer's right
- Fuse sound
- Depth charge target
- Cow
- Like the Goodhead
- 14-Across, e.g.
- Hill, as a Texas leaguer
- Early Plains building material
- Bonds after splitting
- Amass
- Scrub
- Engender
- Top-selling pop group of the 70's
- Tanning need
- Works with visual effects
- Singer DiFranco
- Flight datum: Abbr.
- Like some statistics
- Become livid
- Commit oneself, in a way
- Leads
- Dipsomaniac
- Port in Oregon
- Justice Dept. division
- Literary variant of Hindustani
- Be an accessory to
- Position
- Popeye's female foe in early comics
- White elephants, e.g.
- Stark with a featherless head
- Parsien output
- Grand (Evangeline setting)
- Untroubled
- Track event
- Lighter fill
- Uncomfortable neckwear
- Not impotent
- Two-tone treats
- Great
- Curtainlike partitions, biologically
- T-shirt size: Abbr.
- Highest
- Café alternative
- Like some cats

DOWN

- Like a news bulletin
- Pronounced
- Stuck passers?
- Motor
- Capt. of industry
- Left end?
- 1980's Coca-Cola slogan
- Some stallions
- Has no life
- Mass setting
- Deeply felt
- Poetic chapter
- One who gets high?
- Mud dauber, e.g.
- Experienced
- Cantor's places

Solution to Puzzle of April 15

DISCROSSHIP
ONEUPDEPOTWIR
SCARLETFACEDOE
TATIEDSLIPPERY
INITIAPKES
BOUNDRIPLET
APISILLREPO
COLDVEELIKER
PANEENATELTO
TABLETHUNTER
STOGIESITE
TOMORROWGRIES
UTABAKEDHAMLET
DURATRIA LATE
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INTERNATIONAL
Herald Tribune

Casualties in Kosovo

One more horrifying image from the war in Kosovo: civilians attacked as they made their painful way, on tractor and cart, along a rural road. Serbian officials, whose record leaves them without credibility, say they were bombed by NATO planes; NATO says they may have been attacked by Serbian troops after a NATO bombardment.

In either case, they illustrate NATO's dilemma. It can bomb Serbia's military infrastructure, slowly eroding Slobodan Milosevic's aggressive capability, but doing little in the short term to protect the people of Kosovo from Mr. Milosevic's atrocities. Or it can attack the tanks and other forces directly threatening those people, thereby putting at risk not only its pilots but also the civilians whom Serbian troops are cynically using as shields.

It is worth stepping back and recalling why this dilemma exists — why those civilians were fleeing down a rural road in the first place. Mr. Milosevic has for more than a year been waging a savage war against the ethnic Albanian men, women and children who make up 90 percent of Kosovo's population. Using murder, rape and robbery as routine tools of terror, his forces have now put most of that population to flight. A half-million have been expelled from Kosovo. Hundreds of thousands more remain inside, many being herded around Kosovo like groups of migratory cattle."

NATO spokesman said Wednesday. The heartbreaking plight of the expelled is evident to all. The unfortunate civilian casualties of accidental NATO bombings likewise are quickly brought to the world's attention by Western journalists under tight Serbian escort. But the travails of civilians trapped inside Kosovo remain all but invisible. What we do know is that these people, still a majority of Kosovars, are increasingly vulnerable to disease, exposure and starvation. Mr. Milosevic's forces have trampled their crops, burned their homes and poisoned their wells. Even those who escape his guns may be in dire danger.

President Bill Clinton has expressed determination to continue bombing until Mr. Milosevic gives way and satisfaction that NATO allies remain united. The determination is well placed: In the wake of Serbian atrocities, there can be no retreat from NATO's basic demands that all Serbian forces withdraw from Kosovo and that all expelled return under international protection. But there can be no satisfaction as long as so many people inside Kosovo remain threatened. NATO must show patience and urgency both; not an easy combination.

—THE WASHINGTON POST

Starr's Bad Advice

The renewal of the Independent Counsel Act should not be a referendum on Kenneth Starr and his conduct in office. Nor should Congress or the American people take Mr. Starr's advice on the future of the law. Mr. Starr, having been empowered under the act to investigate the Clintons for nearly five years, believes that the statute should not be renewed when it expires in June. His comments before the Senate Governmental Affairs Committee had an odd self-pitying quality. He blames the law for flaws that were, in fact, the fault of his investigation. His lack of prosecutorial experience, his inexperience for public relations and his conflicts of interest have had a great deal to do with causing the law to fall into disrepute.

Mr. Starr argues that the law has not achieved its main purpose, which is to provide the public with confidence in a fair, nonpartisan means to investigate high-ranking executive branch officials. Mr. Starr said Wednesday, "If politicization and the loss of public confidence are inevitable, then we should leave the full responsibility where our laws and traditions place it, on the attorney general," and on Congress.

But politicization and loss of confidence are not inevitable, nor can these problems be blamed exclusively on the independent counsel law. They were in large measure peculiar to the Starr investigation.

Kevorkian's Sentence

That was a harsh sentence a Michigan judge imposed on Dr. Jack Kevorkian this week for his murder conviction in the "mercy killing" of a seriously ill patient. Some may think that a sentence of 10 to 25 years in prison — with the possibility of parole after six years and eight months — is even too harsh, given that Dr. Kevorkian is 70 years old and performing what from his skewed perspective, was an act of conscience. But quibbling over whether the sentence should have been a few years lighter pales against the important message sent by Judge Jessica Cooper's tough sentence and blistering statement to Dr. Kevorkian.

No one can openly flout the law on murder and expect to get away with it. In this case, Dr. Kevorkian moved from giving patients the means to kill themselves to personally administering the lethal injection. As part of his increasingly reckless campaign to promote assisted suicide and euthanasia to end the suffering of desperately ill patients, he provided CBS's "60 Minutes" with a videotape in which he ended the life of Thomas Youk, a victim of Lou Gehrig's disease. Dr. Kevorkian virtually dared the legal system to try to stop him — and that is what has now happened.

True, Mr. Youk and his family had sought Dr. Kevorkian's assistance as a way to end the patient's suffering. That

Other Comment

No single country will be more crucial to U.S. interests in the coming century than China, so it is folly to pretend that there is any realistic alternative to a policy of engagement with Beijing. U.S. leaders have little choice but to mold relations in ways that are best suited to promote Asian security, nuclear non-proliferation and the vitality of the global economy. The path to a strategic partnership is open. If it is hinged, Washington could transform an aspiring partner into a dangerous rival.

—The Boston Globe

EDITORIALS/OPINION

There's Still Hope for Civil Society in Malaysia

By Anwar Ibrahim

The writer is a former finance minister and deputy prime minister of Malaysia. On Wednesday, he was found guilty of corruption and sentenced to six years in prison. He contributed this commentary to The New York Times.

KUALA LUMPUR — East Asia's current distress over moral and economic choices is reminiscent of the crisis that gripped Europe and America about three-quarters of a century ago. In 1933, Germany and the United States took different paths out of the Great Depression. Franklin Roosevelt was inaugurated president and promised a New Deal. In Germany, Hitler and the Nazis became a legitimate force in Parliament.

There is much for Asians to learn from that chapter of Western history. The economic crisis that began in July 1997 has brought about our own Great Depression. Economic troubles have engendered a political crisis of confidence, pitting ancient regimes against a generation eager for change as it looks forward to a truly democratic Asia.

Some countries have already chosen their paths. South Korea has decided to go with President Kim Dae Jung's

Rooseveltian reforms. In Indonesia, an aged dictator has been forced out, and new leaders will be chosen in the first free elections in more than 30 years. Thailand, too, is reforming, and its democracy is strengthening. And President Joseph Estrada confounds his critics as he keeps the Philippines on track toward reform.

Oddly, it is in Malaysia, once the most stable of Southeast Asian nations, that a prime minister is trying to block the tide. Mahathir bin Mohamad, 73, sees himself as the only person alive who can lead Malaysia out of the economic crisis.

According to his reasoning, there was absolutely nothing wrong with his policies. Things were perfect before "outside forces" — George Soros, Jews, the International Monetary Fund, Washington, Wall Street — jealous of Asian success and hungry for new colonies, came and spoiled it all. Those who disagreed and called for reform were denounced as traitors and lackeys of Western powers.

I became dangerous because as finance minister I would not do Mr. Mahathir's "business as usual" and as a politician I had widespread support for my work toward democracy and civil society. So I was accused of sex crimes, treason and corruption and expelled from government and party.

Instead of scolding me, as they were meant to, many Malaysians were outraged and began to see in Mr. Mahathir a leader who had descended to cruelty in a desperate bid to cling to power.

Eventually, on Sept. 20, 1998, Mr. Mahathir ordered me arrested. That night, blindfolded and handcuffed, I suffered Gestapo-style violence at the hands of the inspector-general of police, who aimed his punches and karate chops at lethal areas. I was then abandoned for nearly a week, part of it in a dungeon, without medical attention.

Six months after I appeared in public with my wounds, which Mr. Mahathir said could have been self-inflicted, the inspector-general confessed to his crime. That man still walks free, while I am jailed for "abuse of office," shows how far Mr. Mahathir has taken Malaysia down the abyss of injustice.

I had to be demolished so Mr. Mahathir's slide from power could be stopped.

Falsely accusing me of sex crimes alone might not have worked, so he threw in "puppet of Washington" and "CIA agent." The U.S. defense secretary, William Cohen, unwittingly inspired this spy fiction by greeting me with a 19-gun salute when I went to Washington in the spring of 1998. The event is cited as proof that I am an American mole.

Given Malaysia's political culture, it was just a matter of time before ambitious politicians jumped onto the bandwagon of xenophobia. But so far nothing has matched the bizarre claims of two cabinet members that the United States, or some other foreign power, waged biological warfare by introducing into Malaysia a deadly virus that is wreaking havoc in the country.

Such insults to the public's intelligence are a major reason for the increasing popularity of the "reformasi" movement, which emerged spontaneously upon my sacking and recently gave birth to a multiracial political organization that my wife heads.

We believe that the new party, in cooperation with other opposition groups, will help pull Malaysia out of the morass and pave the way toward civil society.

Solutions for Kosovo Are Being Overtaken by Events

By Flora Lewis

PARIS — Three weeks of war have made much of the allied plans and diplomacy what Secretary of State Madeleine Albright calls "O.B.E." — Overaken By Events. The Rambouillet agreement, which the Albanian Kosovars signed reluctantly and which the powers set out to bomb Slobodan Milosevic into accepting, will no longer do.

It is another example of the way facts on the ground change the context of seemingly theoretical issues argued out by diplomats, and reshape the questions they must face. Until now, there was allied consensus not to recognize the Kosovo demand for independence, not to support the KLA, not to open any questions of sovereignty and borders.

But willy-nilly, the allies are being drawn into dealing with the KLA, which can provide the only on-the-ground intelligence at this point. The KLA soldiers are an assorted group who have been described as former Marxist fanatics, thugs and adamant nationalists, but the war is bringing a flow of patriotic recruits, both from within the country and from the substantial Kosovar diaspora abroad.

What kind of leadership will emerge if and when the fighting stops is quite unclear. Unfortunately, it probably cannot be the widely admired Ibrahim Rugova, the pacifist who prevented open violence for so long, because Mr. Milosevic has isolated him and tainted him with nonresistance.

The arguments for seeking a way to back out of this increasingly irrational trap deserve a hearing. A well-informed

Yugoslav friend of mine, a longtime hater of Mr. Milosevic, noted that the bombing was started with two objectives. One was to protect the Kosovars against an increasing offensive and the other was to destabilize and, if possible, bring down Mr. Milosevic. What it has achieved so far is the vast refugee catastrophe and a surge of national ardor for the Yugoslav leader.

It is a measure of how instinctively that emotion rises that it quite dominates many Serbian expatriates in France. Unlike their compatriots, they have as full access to all the TV images, the reports, the horror stories as the rest of us. But they believe, as Belgrade propounds, that it

is all a vicious anti-Serb plot. My friend calls for another diplomatic initiative, relying on the Russians as intermediaries, as the only way out. Providing what? There is no answer because the middle ground, the respectful compromise that Rambouillet tried to conjure up, has been lost. The alternatives — a major land invasion or, short of that, an intensive program to arm and train the KLA — have been proposed and so far rejected as politically unacceptable. In any case, it would take a few months for either one to begin to have effect, and what is to be done in the meantime?

Just keep bombing, says President Bill Clinton, and so far all the allies agree. The United States, providing the

bulk of the force and the weight of decision-making, is increasingly flamed. There is a curious reaction in France where a very large majority support NATO bombing, according to polls, and at the same time express anti-American views. This attitude may well spread.

It is painful and frustrating to be in a position of waiting to be O.B.E. because acceptable answers to the current dilemma are not available and events are changing the questions: What is to become of the people? What is the fate of the land? But it is better to hold out for now than to plunge into dramatic escalation through impatience or to sink away in defeat, which would be unconscionable.

Flora Lewis

A People Who Deserve Independence

By Nicholas X. Rizopoulos

GARDEN CITY, New York — Step by reluctant step, the Clinton administration has been forced to confront the ugly reality on the ground in Kosovo. It is responding to Slobodan Milosevic's thuggery, and to the resulting human tragedy and regional destabilization, by the belated application of military force.

But having waited too long to even begin doing the right thing, and having prevaricated and confused the ill-informed American public as to its policy goals, President Bill Clinton's foreign policy team apparently is still reluctant to take the necessary steps:

- To commit immediately,

along with its NATO allies, large numbers of ground troops for an indefinite period — in the process expelling from Kosovo most Serbian military and security forces while at least temporarily disarming all Kosovo Liberation Army units except those needed for normal policing.

- To declare publicly that neither the United States nor its allies will ever again deal — or negotiate — with a Yugoslav government led by Slobodan Milosevic; indeed, that Mr. Milosevic and a number of his associates are officially considered to be war criminals.

poor, bedraggled and Muslim); and of paying lip service to the gospel truth of the inviolability of international borders — even when such borders, as was the case with Serbia's annexation of Kosovo back in 1912, were established on dubious historical and moral grounds.

Then, too, there is the much bruited but preposterous alarm at the prospect of a Greater Albania emerging out of the current crisis — meaning the joining together of Kosovo, of Albania proper and that part of western Macedonia largely inhabited by ethnic Albanians. In fact, a Kosovo-Albania "merger" is today highly unlikely. Even if some sort of federation were to transpire at a future date, could such a union credibly put the fear of God in the foreign ministries of Athens, Sofia or Bucharest?

The best way to protect Macedonia's interests would be by encouraging the presence of an international police force on its borders and by continuing its recent dialogue with its large Albanian minority. An independent Kosovo should be viewed in the same light as, seven years ago, Macedonia wished the world's democracies to regard its own demand for independence — as a positive step leading to greater regional stability.

As for the truly desperate Albanian Kosovars: An even stronger moral imperative is at play for the West. Only through their control of their destiny and territory can the genocidal catastrophe visited upon Kosovo by Mr. Milosevic ever be put to right.

The writer, academic director of the Honors College at Adelphi University, contributed this comment to The Washington Post.

Technology Outpaces Restraints

By Christopher G. Caine

WASHINGTON — In the wake of the recent allegations of Chinese espionage, the release of the document that started it all, drafted by a select House committee led by Christopher Cox, Republican of California, is being held up over arguments about what parts should remain secret.

The gist of the report, however, has already been leaked to the news media: Not only did China illicitly obtain nuclear warhead technology from the United States, but it also obtained the "supercomputers" necessary to develop new warheads, courtesy of U.S. computer companies.

These computers allow the Chinese to do "virtual" testing of their weapons without violating the Comprehensive Test Ban Treaty. This situation suggests that everyone, including the government, must adjust to the realities of the computer revolution; computer speed and performance are increasing so rapidly that they have rendered meaningless current U.S. policies concerned with safeguarding national interests and security.

At the heart of this situation is the now-legendary Moore's Law, named after Gordon Moore, the former chief executive of Intel Corp. As Mr. Moore put it, "The power of semiconductor technology doubles every 18 months."

Moore's Law implies that even the definition of what constitutes a supercomputer is a moving target.

In the early 1980s, for instance, the fastest supercomputer in the world was the Cray X-MP, which sold for \$20 million and required an around-the-clock technical staff to maintain it. Today, comparable computing power can be achieved by a \$1,500 personal computer with a Pentium II

microprocessor. Today's state-of-the-art supercomputers are 100,000 times faster still.

When it comes to export controls, the U.S. government relies on a measure of computer speed known as MTOPS, or millions of theoretical operations per second. The current record holder for supercomputers — built by IBM for the Lawrence Livermore National Laboratory — is capable of performing 1.6 million MTOPS. In comparison, the computers exported to China and reported to be a concern of the Cox committee are 200 machines sold last year with speeds of between 2,000 and 7,000 MTOPS.

This level of performance is currently restricted by export controls. Any U.S. manufacturer wanting to ship such computers to "Tier 3" countries — which include China, India, Israel, most of the former Soviet Union and a number of Middle Eastern nations — must first notify the Department of Commerce. That agency then has 10 days to authorize the shipment or require the manufacturer to file for an export license.

The problem, of course, is that not only are supercomputers getting faster exponentially, but so are business and personal computers. Last year's typical PC with a Pentium II processor was capable of performing 500 MTOPS. Machines with the new Pentium III processor are capable of performing more than 1,000 MTOPS, while business computers with dual Pentium III processors are already performing in the range restricted by export controls.

In 1998, the Commerce Department had to deal with 390 notifications to ship computers

of 2,000 to 7,000 MTOPS to Tier 3 countries. By late this summer, the industry will be producing millions of such machines, and the Commerce Department will be faced with 390 notifications a day, rather than 390 a year.

Since the 1940s, the U.S. Congress has repeatedly amended export control laws to address changing political, security and commercial interests.

The issue today requires rethinking a policy that has its philosophical origins in the Cold War. The questions are not whether the United States will be able to deny Tier 3 nations computers that are commercial commodities throughout the world, but whether U.S. or foreign companies will sell them and whose economy will reap the benefit.

Today, anyone with a PC and a modem can be networked into supercomputing centers at numerous universities. The notion that raw computing power can and should be controlled by modern technology.

The challenge is to reform the export control system so that it is controlling truly sensitive information and not commercial commodities that can easily be purchased elsewhere.

Simply raising performance levels every six months will only lead to the export control version of a fire drill every time a new chip hits the market. We need instead to develop a fundamental philosophy on export controls that is in tune with the technological, economic and security realities of the future.

The writer, vice president of government programs at IBM Corp., contributed this comment to the Los Angeles Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: British Sports

PARIS — The Libre Parole says: "The representatives of our traditional sports are asking to protest against the importation of British sports, which, far from developing grace, strength and skill, result only, they say, in exciting in them the most complete contempt of mind without any benefit to the body. The old French sports, such as fencing, shooting and gymnastics, were real arts, and charming arts. The sports from across the Channel, on the other hand, generally only aim at brutal exercises, such as football, or stupid and dangerous struggles, like footcage."

1949: Japan's Women

TOKYO — A young farmer complained that Japanese women have taken democracy to mean they can stage drinking bouts and tell dirty jokes. Taro Suzuki said he favored equal rights for women, but he urged that they retain their decorum. Mr. Suzuki said his mother recently attended a village women's meeting to elect officers. He said that after the election one of the officers observed that whenever men had such meetings they always wind it up with drinking. "We have the same rights now as they have, so why don't we drink?" she asked.

1924: Religious Zeal

ATLANTA — Religious fanaticism is responsible for a number of murders and a case of self-mutilation which have occurred in the South. Quick action of surgeons and his strong

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OPINION/LETTERS

For U.S. Corporate Taxes, The Trend Is Downward

By Floyd Norris

NEW YORK — As the procrastinators among us sent in our U.S. tax returns this week, there were a few certainties: Well-off Americans will be paying a lot, but the companies whose stock they own — and whose success may have made those people rich — will pay much less than they would have a generation ago.

That trend is an international one, reflecting the fact that in an increasingly global economy, it is much easier for companies to pick up and move. Today, both states and nations are more likely than

But for now, both the rich and the government are raking in the cash.

ever to use reduced taxes as a means to lure corporate employers.

"Even small variations in local tax rates may have important effects on capital flows and, by implication, on the economy as a whole," reported James Hines Jr., an economist now at the University of Michigan, after studying U.S. investment flows.

In Europe, Ireland has achieved rapid growth by offering low corporate taxes. That infuriated Oskar Lafontaine, the former German finance minister, who wanted to raise taxes on German business. Before Mr. Lafontaine lost his job in a power struggle, he was pushing for "tax harmonization" within Europe as a way to force Ireland to raise its taxes.

Instead, with Mr. Lafontaine gone, Germany is likely to cut corporate tax rates while also reducing preferences that have allowed favored companies and industries to pay relatively low taxes while those in other industries are hit hard.

To be sure, at any given tax rate corporate income-tax payments fluctuate with the economy, falling in recessions and rising when business is good. American companies are expected to pay income taxes equal to 2.1 percent of the U.S. gross domestic product this year, up from 1.6 percent in the recession year of 1990.

But the overall trend can be seen more clearly by comparing

the two longest economic expansions in U.S. history — the one from 1961 through 1969 and the current one, which began in 1991. During the 1960s boom, corporate income-tax collections peaked at 4.2 percent of GDP, twice the current level. But individual income-tax collections never got as high as the current figure, about 9.5 percent of GDP.

Just how you view the downward trend of corporate taxes depends on your politics. To many on the left, and some on the right, it demonstrates "corporate welfare" that lets powerful companies avoid paying their fair share. Most congressional Republicans ignore the drop in corporate tax collections, however, while railing against the rising overall level of taxes.

But Republicans have been stunned to see how indifferent voters are to calls for tax cuts this year. In part, that reflects President Bill Clinton's success in making those who call for lower taxes appear to be endangering Medicare and Social Security.

But it also reflects the fact that changes in tax law have made it more certain that high-income taxpayers will pay more while moderate-income families are hit less. Thanks largely to the \$500-per-child tax credit, a family of four earning the national median income now faces a lower effective tax rate than at any time since the 1960s.

In the current boom, the number of people with high incomes has soared. In 1992, just under a million tax returns showed adjusted gross income of more than \$200,000. In 1996, the last year for which data are available, that number rose by more than 50 percent.

The increase reflects surging capital gains and stock-option profits for corporate executives, and taxes on that income help explain why tax receipts have been higher than expected in recent years.

For the government, there is a risk in growing increasingly reliant on stock market-generated profits. If those profits stop coming, tax receipts could be surprisingly small. But for now, both the rich and the government are raking in the cash.

The New York Times



LETTERS TO THE EDITOR

Milosevic and Instinct

Regarding "Does Territoriality Drive Human Aggression?" (Meanwhile, April 14) by Steven Levington:

Mr. Levington's notion that Robert Ardrey's theory of human territorial aggression can be applied to the crisis in Kosovo is absurd and historically flawed.

The theory does not explain why the American Indians, the Hungarians, the Turks and the Moravians, among others, have not exhibited the same degree of aggression (as Slobodan Milosevic) "to possess and defend territory they believe belongs exclusively to them." The theory's simplistic and primitive view of the fall of France (and by implication the invasion of Czechoslovakia) fails to take into consideration the complex political and social forces behind those events.

The most dangerous aspect of the theory, as applied by Mr. Levington, is that it seems to excuse Mr. Milosevic's behavior by implying that his policies are driven by some "innate" human trait. Mr. Milosevic is a war criminal, is entirely responsible for his actions and should be brought to justice for his crimes. Mr. Levington should not insult the rest of humankind nor the various species of the animal kingdom by suggesting that Mr. Milosevic's barbaric tactics are based on "in-

stinct" for defending "his" territory.

JUDITH HENDERSHOTT, London.

It is unfortunate that, in the midst of Yugoslavia's current horrors, Mr. Levington would dredge up Mr. Ardrey's silly musings on aggression.

Of course human beings belong to the animal kingdom; but unlike all other animals, they live and communicate through symbolic worlds of their own making. They do not defend their territories the way all other animals do, only in the way we humans do.

Human aggression is not instinctual. It is no more "innate" than human love and kindness. Hence human aggression is inexcusable in a way that animal aggression is not. To think otherwise is to spare us humans from the responsibility for the world as we make it — and as we should aspire to improve it.

The writer is a visiting professor of anthropology at the Chinese University of Hong Kong.

War and Rock 'n' Roll

Regarding "War's On, Where's the Music Gone?" (Meanwhile, April 13) by Solomon Rushdie:

Mr. Rushdie's sentimental ode

to rock 'n' roll as the music of freedom ignores the expanded needs that this genre of music serves. In addition to the great musicians who sang for the '60s freedom movement, there are uncountable others associated with every possible type of politics. The "patriotic" free concert staged in Belgrade by Slobodan Milosevic's regime is the most recent example of music as propaganda. The unhappy truth is that music is merely a danceable beat and a memorable refrain that can be attached to any ideology from freedom to fascism and all the insipid materialism in between.

BROOKS DAVERMAN, Angers, France.

On U.S.-China Tensions

Regarding "U.S.-China Tensions Are Bad News for the Economies of Asia" (Opinion, April 2) by Alan Dupont:

Mr. Dupont's fear that the United States and China may be headed toward an extended period of conflict is overblown. The Clinton administration clearly plans to stick to its policy of engagement.

But the United States and China may begin to build mutual trust only if America identifies its national and strategic interest in a peaceful and stable Asia and firmly asserts such interest.

JAY T. LOO, Lansdale, Pennsylvania.

Keeping the Shirts Ironed As Bombs Fall Back Home

By Samuel Abt

PARIS — The cleaning woman didn't come a couple of Fridays ago, which was unusual. She never misses her visit, one morning every two weeks, usually on Wednesday. This time she suggested a change in days since she was going on vacation for two weeks and her work schedule was a little tight, she explained. Or

MEANWHILE

maybe she didn't — her French is sometimes incomprehensible to me because of her heavy accent.

Not that we talk much. She usually asks about my son, who lived with me a year ago and is now in San Francisco, working in a bank. (She seemed to roll her eyes at that news, remembering that the ironing she did for him was exclusively T-shirts with rock-band emblems, until I explained that his job was as a computer something in the back room.) She always has something to say about the weather too. That's the extent of our chitchat. She comes to work and wants to get right at it.

Basically, she almost pays for herself because the money I save on the shirts she irons — the laundry charges the equivalent of nearly \$3 each — nearly covers what she gets paid for her three-hour shift. She vacuums the apartment, swabs the wooden floors, turns the sink and stove spotless and leaves a whiff of wax behind. She's ferociously honest and an enemy of grime.

I think she's terrific and I hope she thinks I'm at least acceptable. Although I used to tease my mother about cleaning up before the cleaning woman came, with age I do it myself, emptying the ashtrays, leaving no dishes in the sink and dumping the garbage beforehand. When I go on vacation, I usually bring her back a gift, chocolates or a bottle of wine if I've been somewhere in Europe, something American (no, not peanut butter) if I've been home. She always brings me back a bottle of slivovitz if she's spent her vacation at home in Serbia.

Did I mention that she's Serbian? She and her husband live in France and one daughter seems to live in the Loire Valley where she raises turkeys. (Can this be so? Her accent may have confused

things when we had a discussion one Wednesday before Thanksgiving.) The rest of her family including her parents and at least one other daughter, who has children of her own, live in some village near Belgrade.

After she missed her Friday appointment, I assumed I would see her two weeks later after her vacation. But she phoned the following Tuesday to ask if she could come in work Wednesday. I thought you were on vacation, I said. No, she said. Catastrophe. She arrived at the usual hour and asked about my son and noted that the weather had turned

People like her and her family meant nothing to those who decided to make war.

colder. She took off her shoes, donned her slippers and started to head for the bag of washed shirts.

Dumbly, catastrophe? I asked. What the bombs, she said, and she began to cry.

Her vacation had been canceled, of course, because who could get into Serbia now? For a few days the phone was out but she had finally reached her daughter near Belgrade. The family was safe although it had to go into the cellar when the planes came over. The house may or may not have been bombed — the accent again. I didn't think I should press the question.

It's just politics, she said. The war machine. People like her and her family meant nothing to those who decided to make war. People like her and me, she said.

Agreeing, I tried to comfort her, and after a while she went off to begin ironing. When it was time for me to go to work myself, I paid her and left her the spare key to lock the door when she was done. We discussed her next visit, in two weeks if she couldn't go on vacation before then.

Do you think the war will end soon? she asked. I said I didn't know.

Do you? International Herald Tribune.

WHEN HISTORY ASKS WHO STOOD UP TO EVIL IN KOSOVO, THE ANSWER WILL BE: NATO.

The world could see the slaughter coming. Diplomats worked furiously to prevent it — and, for a time, succeeded.

But when Yugoslavia's Slobodan Milosevic, in the name of a nationalism run amok, once again led Serbia to betray its proud anti-Nazi legacy and set an army and police at the throat of the Kosovo Albanians, one international force had the resolve to stand up to Belgrade's policy of barbarism.

NATO, the guarantor of European security for half a century, rose to the challenge of defending Kosovo's ethnic Albanians. Nineteen countries acted in unison to stop the violence against the Kosovars and seek their safe return under international protection.

In this noble mission, NATO must prevail. What is at stake in Kosovo isn't oil or commerce or trading routes. What is at stake are basic principles: human rights, human dignity, the credibility of deterrence, collective security. With determination and courage, NATO weighed the difficult choices and chose to act — because it was right, because the alternative would give

tyrants a green light to terrorize civilian populations and destroy the fabric of international order.

Sometimes conscience demands the application of force.

We recognize the sacrifice made by each NATO member to arrest evil in Kosovo. In this dark century, witness to unspeakable acts of inhumanity, we applaud the alliance for taking a principled stand.

To join us in expressing appreciation to the 19 NATO members — Belgium, Canada, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Turkey, the United Kingdom, and the United States — write their Permanent Representatives, c/o NATO Headquarters, Brussels, Belgium. Tell them how much you value their efforts and urge them to stay the course.

History has taught us — or should have taught us — that diplomacy and reason have their limits in dealing with a Milosevic. Sometimes conscience demands the application of force. In these times, as always, we are grateful for NATO.

The American Jewish Committee

Bruce M. Ramey, President

David A. Harris, Executive Director

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AJC is joining in efforts to provide emergency relief to the Kosovar refugees. Please send tax-deductible contributions, in the name of the AJC KOSOVO RELIEF FUND, to the above address. All proceeds will be distributed to appropriate aid agencies.

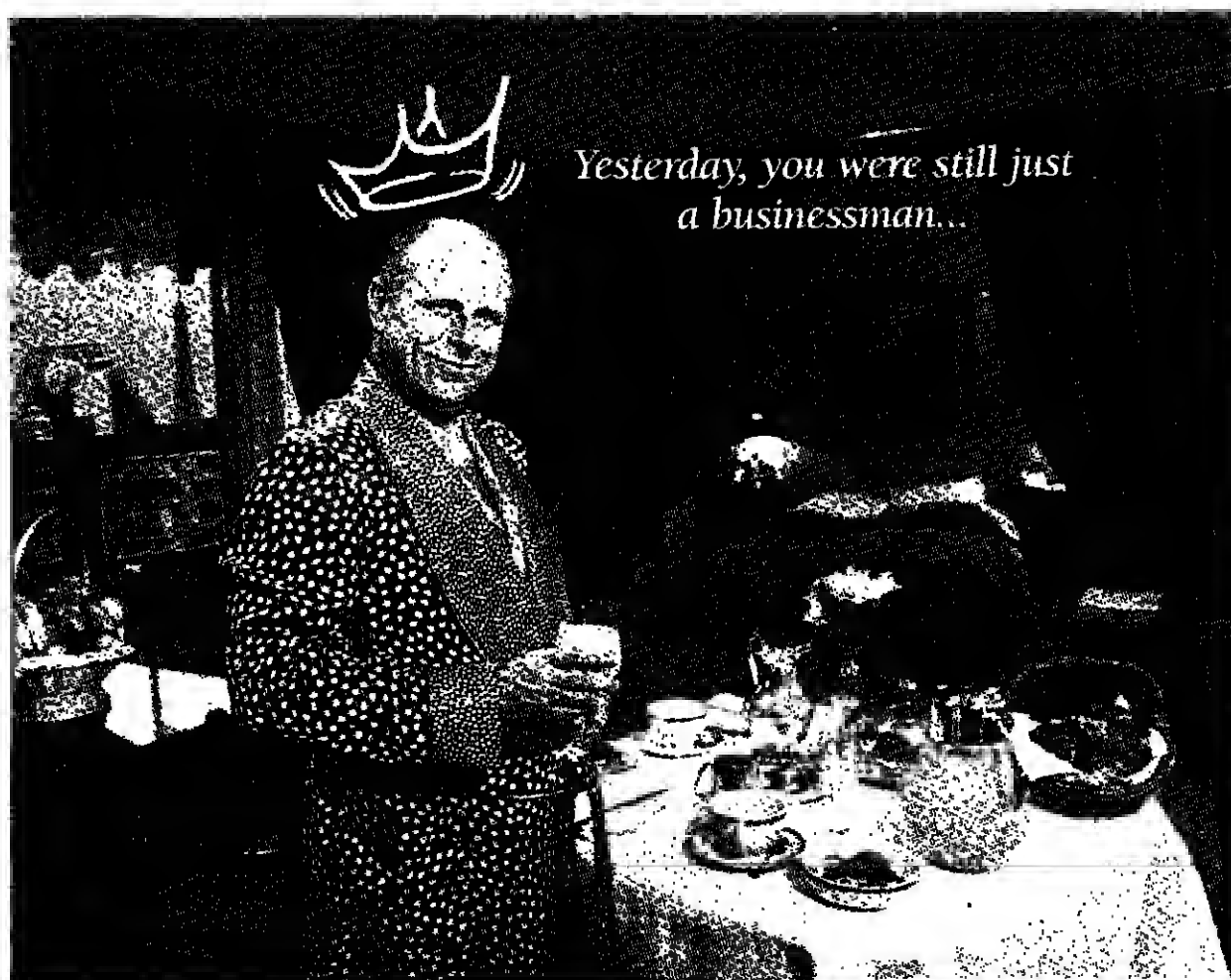


Photo taken at the Warwick Champs-Élysées, Paris

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Leisure

Books, Art, Music: Leipzig's Revival

By David Galloway

LEIPZIG — With a roster of 1,800 publishers from 30 countries, the recent installment of the Leipzig Book Fair incidentally underscored the dilemma confronting this gracious and once great metropolis. Here a rich historical tradition jostles not only with the legacy of war and dictatorship but with the increasingly shaky promise of "boomtown." With soaring unemployment and 30 percent of its office spaces unoccupied, the euphoria that earned the city that nickname less than a decade ago, has long since ebbed.

Yet if the city's past glories can never be revived, its intellectual, artistic and mercantile traditions can perhaps help to define a new role in a new Europe. As a signal of that promise, the historic Book Fair moved last year into the spectacular new fairgrounds. One of the largest building projects in the former East Germany, budgeted at 1.335 billion Deutsche marks (\$740 million), the complex was completed in only three years. Enthusiasts have compared it, not unreasonably, to London's legendary Crystal Palace and L.M. Pei's Louvre Pyramid.

Clearly, neither its beauty nor its state-of-the-art facilities will enable Leipzig to overtake the trade fairs now entrenched in Hannover or Cologne — let alone the prestigious Frankfurt Book Fair, whose eminence Leipzig surpassed in the 18th century. Yet there may well be a lucrative niche for more selective, specialized and personalized events. Anyone who has plodded the muggy mazes of the Frankfurt Fair would have welcomed the airiness, gentility and sheer beauty of the far smaller but impeccably professional Leipzig presentation.

ARTISTS' BOOKS

Symptomatic of the fair's cultivated ambience was a special presentation of artist-made books — an island of reflection and repose within the commercial show. Parallel events were staged by Leipzig's College of Graphics and Book Design and by its superb Museum of Books and Writings. Even during the Communist era, the tradition of artists' books flourished here and in other East European centers. Many were produced on antiquated handpresses that, in the eyes of state watchdogs, had little propaganda potential.

The inaugural "Book + Art" thus understandably focused on works produced by artists from Poland and the former East Germany.

Peter Guth, who directs art and cultural projects for the Fair, says the focus of "Book + Art" will expand in the year 2000 "to reflect the search for a new European identity." This nod to the muses is far from a belated attempt to lend cultural legitimacy to a commercial enterprise. Even during the fair's construction phase, 24 international artists — including Jenny Holzer, Sol LeWitt and Daniel Buren — were invited to conceive permanent installations. The handsome results are only a further, more recent example of the easy camaraderie of art and commerce, which have done so much throughout the centuries to lend Leipzig its singular flair.

The city's preeminent role as a trading center began more than 800 years ago, when merchants from throughout Europe arrived here to display their wares at Easter. Among them were booksellers, and they helped lay the foundation for Leipzig's development into Europe's leading center for book production as early as the 15th century. It is no coincidence that one of Germany's oldest universities was established here in 1409, the world's first newspaper in 1493, the first daily in 1660.

Along with its fair and publishing industry, Leipzig built its wealth on tobacco, coffee and furs, later on precision manufacturing. Its parks and villas knew few European parallels. In Goethe's "Faust," a tipsy student hymns the Saxon metropolis as a "little Paris." Local boosters are wont to overlook the irony of the boozey scene in Auerbachs Keller (still a favorite tourist goal), but Goethe was indeed a fan of the city where he spent his student days. Schiller, Leibniz and Wagner also numbered among the university's alumni.

The 20th century dealt Leipzig a series of resounding blows from which it is still struggling to recover: inflation and depression, the terrors of the Third Reich, Allied bombings and the geopolitical isolation of the Communist era left it a decaying has-been, though it was promoted to Saxony's capital by the German Democratic Republic. The city's progressive spirit, however, was unbroken, as the world learned through the Monday-night "Prayers for Peace" at the Church of St. Nikolai and the subsequent candlelight marches that attracted as many as 300,000 participants. It was those persistent pacifist vigils that led to the fall of the East German regime and loosed a domino effect throughout the Soviet bloc.

THE BUILDING BOOM Speculators, adventurers and idealists were soon flooding into Leipzig, where a journalist counted 1,003 building cranes on the horizon. The decrepit train station, once Europe's largest, was converted into a glittering shopping concourse with 130 boutiques and beaneries. The downtown fair buildings, where merchants once traded, were converted into shops and offices, restaurants and cafés. Among them are the magnificent Specks Hof and the Milan-inspired Madler Passage, whose medieval cellars house Auerbachs Keller. And the Church of St. Thomas, where Bach once directed the celebrated boys' choir and composed most of his sacred music, is undergoing extensive renovations. Admission-free weekend concerts, however, continue.

If Leipzig still has more than its share of pitted and scaling facades, the inner city has begun to shine. And when the Leipzig speaks of going "down-town," he refers to an area of no more than one square kilometer once enclosed



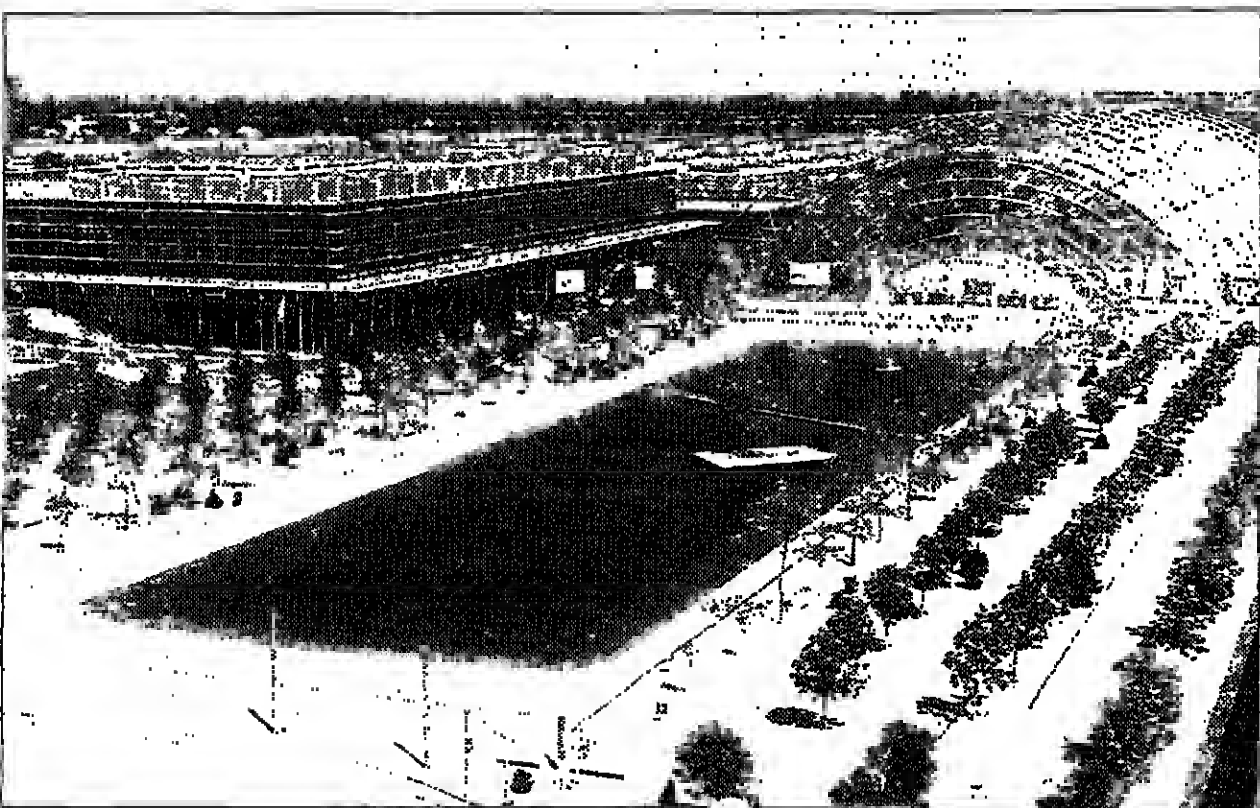
The statue of Goethe at the Old Bourse in central Leipzig.

by the city wall. It is a dense urban melange best experienced on foot. Here one finds the temporary quarters of the Museum of Fine Arts and, just outside the "wall," the decayed but treasure-filled Grassi Museum — an Art Deco complex housing separate museums for Ethnology, Musical Instruments and Arts and Crafts. Nearby are the Opera and the Gewandhaus, home to Germany's oldest civic orchestra.

Exploring these and a score of other attractions (including Germany's first

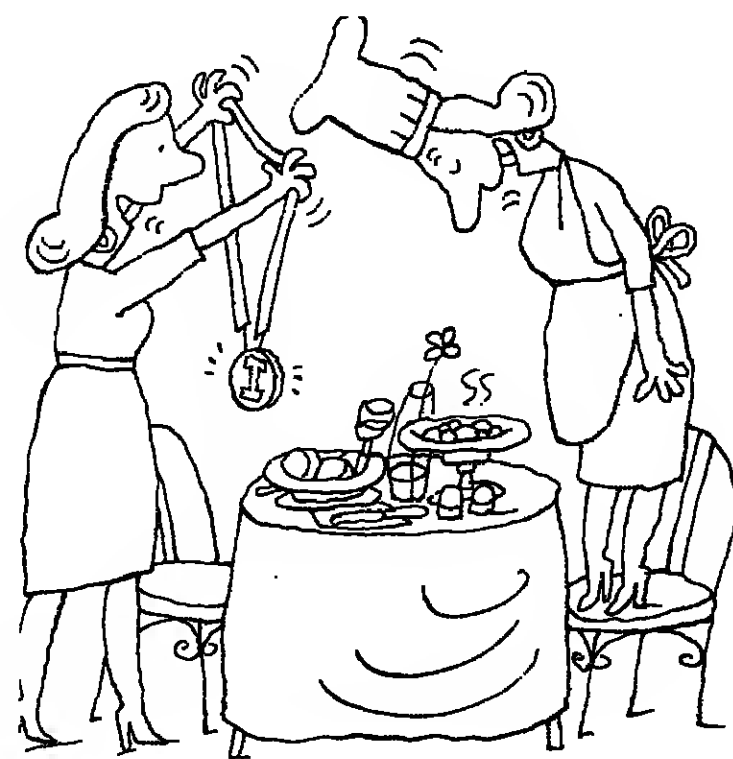
Conservatory of Music), one can easily imagine why a bibulous student might have boasted of a "little Paris" here. Leipzig, of course, was different then, but so after all was Paris. Nonetheless, one experiences here an unaffected graciousness and a spritely urbanity that inlay even the casual pedestrian's slip into the role of *fleur-de-lis*.

David Galloway is an art critic and free-lance curator in Wuppertal, Germany.



Leipzig's new fairgrounds, one of the largest building projects in the former East Germany.

DINING



A Taste of Provence From a Rising Star

By Patricia Wells
International Herald Tribune

PARIS — Maturity and confidence are great traits to witness anytime, anywhere. Even better when you happen to be on the receiving end, and the talented person happens to be a chef. Flora Nikula — certainly one of the rising stars of modern French cuisine — shines with clear brilliance, with a newly decorated Left Bank restaurant and more verve and stamina than ever.

Unquestionably, she is among the most talented female chefs in Paris, and in all of France. When Nikula speaks, her broad, expressive face lights up like an unfurling flower, and you can see, feel, taste that energy and enthusiasm with every dish, every bite of her authentic, Provencal-inspired cuisine.

Wisely, she has invested time in kitchens in her native Provence, in London and New York before making her way into the kitchen of Alain Passard's Arpege. On her own for the past three years, she is now showing at Les Olivades that she, too, has what it takes.

Right now, everything from meaty quail to her signature confit of quail, to sweet farm-raised pork to original *pots de creme* grace her original, tantalizing menu. If you haven't already tried Nikula's *coq au vin*, plump quail simmered to moist tenderness in bath of extra-virgin olive oil (rather than the traditional goose or duck fat of France's southwest), by all means go for it.

On a recent night, she paired the quail with tiny cubes of green apples for a hint of acid, a showering of freshly toasted pine nuts for crunch and an almost smoky essence, all accented by an ever so faint touch of black truffle oil.

It would be nearly impossible to improve upon her almond-infused *amandes gratinées*, meaty clams

(known as almonds of the sea) dotted with finely ground almonds and grilled to a warm tenderness. A hint of fresh coriander expanded the impact of the shellfish-almond duo, while a mix of mushrooms, onions and spinach (a modern approach to a *la gratinée*) softened the flavors and added a garden-fresh edge.

Spare-rib lovers should adore her approach to an American favorite, with her *travers de cochon fermier rôti au miel et aux épices*, unfussy ribs so meaty, chewy and tender, bathed in a sweet glistening sauce of honey and spices, so shiny you want to don ice skates and go for a spin.

HORN OF PLENTY Desserts are full of hope and promise, with an original and welcome *corne d'abondance*, a horn-of-plenty pastry cone filled with strawberries and rhubarb and teamed up with a fine cinnamon ice cream.

Equally delicious was the pots de *creme* duo, one with a bright, licorice-rich anise flavor and the other infused with the flavors of rosemary and thyme. Fresh-from-the-oven madeleines and Bordeaux-inspired vanilla muffins, or *gâteaux*, won hearts and warmed spirits.

Other specialties to look forward to here include goat's cheese from Nikula's native Nîmes — *pigeon* — aged in olive oil and perfumed with wild herbs; tender roasted baby lamb; breast of guinea hen with olives and potatoes, and a well-priced regional wine list.

Les Olivades, 41 Avenue de Segur, Paris 7; telephone 01-47-83-70-09, fax: 01-42-73-04-75. Credit cards: American Express, Mastercard, Visa. Closed Saturday lunch, all day Sunday, Monday lunch and two weeks in August. Menus at 179 and 250 francs (1830 and 538); à la carte, 250 francs; lunch menu at 130 francs.

Patricia Wells can be reached on the Web at www.patriciawells.com

MOVIE GUIDE

A WALK ON THE MOON

Directed by Tony Goldwyn, U.S.
"A Walk on the Moon" is as seductive as the handsome, itinerant hippie who turns its heroine's life upside down. In this nostalgic, beautifully acted tale of romance and responsibility, that heroine is a housewife who could not be at a more dangerous time and place for maintaining the status quo. As she has every summer, Pearl Kantrowitz (Diane Lane) totes her ironing board, dish drainer, children and mother-in-law to a Jewish holiday camp in the Catskills to vacation all summer while her husband, Marty (Liev Schreiber), stays in New York City repairing television sets. It's a peaceful but dull existence, and that's the way it is supposed to stay. Knowingly directed by the actor Tony Goldwyn, "A Walk on the Moon" is about something different in the air. The year is 1969, the event of the title is about to happen, and the camp is near the site where Woodstock will soon explode. That might seem like a much too convenient coincidence if the screenwriter, Pamela Gray, had not been there to see the local kosher butcher shop rename itself the Punk Chicken in honor of hippies in the neighborhood and seismic currents too powerful to ignore. In any case, the film lets this situation yield a steamy, enveloping romance, a family crisis and the fallout that crisis has to bring. Lane movingly captures the dilemma of a woman married at 17 and yearning for freedom just as her own daughter (Anna Paquin, utterly persuasive as a turbulent American adolescent) feels very much the same. And in a film that, as Goldwyn said when it was shown at the Sundance Film Festival, means to mirror changes that shook the nation during that era, "A Walk on the Moon" lets Pearl follow through on her yearnings. On the night of the moonwalk, Pearl embarks on her own dangerous adventure into terra incognita, which the film renders with a tenderness virtually unknown on screen these days. The mood is set by sweet, liberating music, mostly album tracks or cover versions rather than familiar hits. From the artists (Joni Mitchell, the Jefferson Airplane, Jesse Colin Young, the Grateful Dead, Bob Dylan) whose voices defined the times.

THE MATRIX
Directed by Andy and Larry Wachowski, U.S.
If you believe the Warner Bros. mystique about "The Matrix" filmmakers Larry and Andy Wachowski, little is known about this pair of writing and directing brothers other than they are in their early thirties and they made the 1996 lesbian-noir movie "Bound." I'm only guessing from what I see on the screen, but I'll tell you this much about them: They spent too much time going to the movies as kids, they know a tip-roaring yam when they see one, and they are not afraid to steal — excuse me, appropriate — the ideas of their betters if it suits their purpose. But what a grand and glorious purpose it is, evoking "Alice in Wonderland," "Men in Black," "Blade Runner," the Holy Bible, Greek mythology, TV's old "Kung Fu" series, James Bond, "The Terminator," "High Noon," "Alien" and "Star Wars." Let me see, am I leaving anything out? Oh, yes, there is also an element of "Sleeping Beauty" thrown in, with a kick-boxing princess (Keanu Reeves) instead of the prince and a sleeping beauty who looks like... Keanu Reeves.

"The Matrix" is just one big, fat, honking comic book of a sci-fi-martial-arts adventure. It goes over the top, comes back around the bottom and back over the top again.

(Michael O'Sullivan, WP)

EL PIANISTA

Directed by Mario Gas, Spain.
Spain has made so many films about its Civil War that it has become no small feat to tackle the subject with originality. Yet "The Pianist" scores well on freshness because it is based on the novel of the same name by Manuel Vazquez Montalban. The story, in the author's words, is "a reflection on moral victories and defeats." Two young Barcelona pianists compete on the keyboards and for the love of the same talented Spanish woman in Paris in 1936, when the Spanish war begins. One returns home to fight Franco, along with the ideologically committed woman; the other, who noisily espouses lofty ideals, stays in France to pursue his career. The latter, 50 years later and highly successful, finds his former friend working as the humble staff pianist in a Barcelona transvestite bar. Mario Gas, directing his first film after a long career on the Spanish stage, imposes a theatrical style on the film, whose glaring weakness is the plotting middle section, set in postwar Barcelona of 1946. It takes too long to establish the crucial reunion between the anti-Franco pianist and the woman, who were separated during the war. The initial period in prewar Paris is the film's best section, when the tantalizing woman (Paulina Galvez) must choose between the brilliant, cynical pianist Doria — whose vanguard style and mustache evoke images of Dali — or the introspective player Rossell, who remains true to his ideals, at the cost of fame. The Spanish actors Jordi Molla and Pere Ponce convincingly portray the young pianists, and the French actors Laurent Terzieff and Serge Reggiani play the elderly pianists who meet again in Barcelona. Their final terse encounter is well acted, but does not match the intensity of the early Parisian scenes.

LOLA RENT

Directed by Tom Tykwer, Germany.
The hit German film "Run Lola Run" is a furiously kinetic display of pyrotechnics from the director Tom Tykwer, who fuses lightning-fast visual tricks, tirelessly shifting styles and the arbitrary possibilities of interactive storytelling into the best-case scenario for a cinematic video game. Tykwer does this with a vigor and pizzazz that offset the essentially empty nature of the exercise. Tykwer deliberately blows away all traces of the mundane and the familiar, so that not even the closing credit crawl moves in the expected way. "Run Lola Run" opens with a smashing bravado, as a few vague voice-over speculations about the nature of mankind give way to a strikingly bold image. A crowd milling around suddenly forms the word Lola as the camera shifts from ground level to aerial view, and with that we're off and running. Or Lola (Franka Potente) is,



Diane Lane and Liev Schreiber in a scene from "A Walk on the Moon," directed by Tony Goldwyn.

anyhow, in a film that keeps her hurtling forward almost all the time. The setup sounds like something out of a game's rule book: Lola's boyfriend, Manni (Moritz Bleibtreu), will be killed if she can't come up with a large sum of money and meet him across town in 20 minutes' time. As Lola takes off, trucking along with a muscular R. Crumb look and distinctive flaming-cranberry hair that sets her off from any crowd, the fun is in the important later. A visit to her father's office, an encounter between an ambulance and a sheet of plate glass, assorted encounters on the street: All of these will be refracted later in various ways. The trip to Manni ends in death, but that hardly carries any weight here. Soon everything is erased and we are back with the flying red telephone receiver that sparked Lola's journey. This time each encounter is somehow different, just ways. Tykwer's visual virtuosity revels in the possibilities here, as when he splits the screen between Lola and Manni, then lets a ticking clock approaching zero hour (noon) slide up from the bottom of the image. The story eventually replays yet another permutation, in a show of creative fireworks that is almost the most remarkable aspect of the film. The real miracle, though, is that Lola (like the filmmaker) seems to run through it all without losing her verve or breaking a sweat.

(Janet Maslin, NYT)



Keanu Reeves, left, and Hugo Weaving in the sci-fi action thriller "The Matrix."

هنگامی که...

LEISURE

A Pristine Nature Reserve on an Isle of Sorrow off Taiwan

By Thomas Crampton
International Herald Tribune

GREEN ISLAND, Taiwan — The gut-wrenching boat ride, Spartan accommodation and large numbers of law enforcement officials wandering around suggest that little has changed on this notorious prison island in the Pacific.

A remote windswept speck off the east coast of Taiwan, Green Island built a solid reputation under the rule of Chiang Kai-shek: Political dissidents were shipped here, often accompanied by solitary confinement, physical abuse and starvation rations.

In the last few decades, however, democracy has blossomed in Taiwan, the political prison has been closed down and now an ever increasing number of

Taiwanese are voluntarily booking themselves in for a stay on Green Island.

In addition to prisoners heading to the remaining detention centers — one for reformed drug addicts, another for high-level mobsters — thousands of tourists are flocking to the island for a look at one of Taiwan's most pristine, and last, natural preserves. The prison's odious reputation helped save the island from the scourge of development that has hammered concrete pillings into just about every flat surface on Taiwan's crowded main island.

Green Island's natural attractions are abundant. In the hour or so it takes to circumnavigate the island on a rented scooter, visitors putter past hundred-meter-high cliffs overlooking churning surf, low-lying stretches of shore where steamy-hot seawater bubbles out of volcanic rocks, empty strips of golden

beach and turquoise-blue water off every shore.

Convenience stores on the island rent snorkeling and scuba equipment, allowing swimmers to set off from almost any direction into coral-filled waters populated by schools of neon-colored tropical fish. (For those unable to dive or unwilling to get wet, several submarine-shaped glass-bottom boats make 40-minute excursions whenever enough passengers turn up on the quay.)

The island's most famous landmark, however, the former political prison, is closed to the public and mired in controversy. Emptied without ceremony less than a decade ago, the prison was abandoned until workers began renovating the facility in 1997 for use as a detention center for petty criminals.

Protests by former political prisoners, who were scandalized by what they called the whitewashing of Taiwan's

history, halted the work and have increased pressure to make the prison a memorial site.

"They began modernizing it with imported Italian tiles to make the place more comfortable," said Shih Ming-te, a senator who spent more than a decade imprisoned on Green Island for advocating democracy and human rights. "I remember having just a single hole in the floor to use for washing and the toilet."

SET behind barbed wire-topped concrete walls and daunting watchtowers, the prison itself can be seen only by climbing on the roof of a nearby abandoned military barracks. Decorated with fading patriotic screeds, the prison's crumbling gray bulk sits among verdant hillsides within a stone's throw of the ocean.

"I could smell the sea but I could not

see it, I could hear the waves but I could not touch them," said Shih, who spent 13 years of his detention here in solitary confinement. "Our history is full of sorrows, but like South Africa where they kept Nelson Mandela's prison and Poland where they preserve concentration camps in memory of genocide, we cannot allow our past to be forgotten."

Chen Chia-wen, government secretary of Green Island township, agrees, but does not know where the money to preserve the prison will come from. "We have a responsibility to remind people of human rights," Chen said, adding that the island aims to change its image. "It will be difficult, but we want to throw off the idea of us as a prison island and draw tourists for the natural things they can see."

For now there seem to be few threats in Green Island's ecology. The prison remains the highest employer, there is no

industry and the island's limited accommodation — three modest hotels and about 20 guest houses — restrict most tourists to day trips.

The island's new-found popularity does, however, pose dangers to its isolated tranquillity. Plans have been drawn up for an 800-room hotel and crooners can be heard until late at night at the island's sole karaoke bar.

Green Island is off the east coast of Taiwan's Taidung county, a one-hour flight southeast of Taipei. The island can be reached on a 10-minute flight from Taidung airport or a 90-minute boat ride from the nearby port. Keep in mind that the boat immediately enters the Pacific Ocean, which, even on calm days, can send waves high enough to test the strongest of sea legs. In recent weeks, flights and boats — as well as hotels once — have been booked solid, so travel may require some planning ahead.

ARTS GUIDE

BRITAIN

Edinburgh: Scottish National Gallery of Modern Art, tel: (131) 332-2266, open daily, To May 8: "Henri Cartier-Bresson: Portraits, 1930-1978." More than 100 photographs have been selected from 60 years of work. They include portraits of French, British, and American artists and intellectuals.

London: Royal Academy of Arts, tel: (171) 300-8000, open daily, "Monet in the 20th Century" will remain open nonstop from 9 A.M. on Saturday, April 17, to Sunday, April 18, at 6 P.M., when the exhibition closes.

FRANCE

Arles: Fondation Vincent Van Gogh, tel: 04-90-49-04-04, open daily, To June 27: "Le Peintre de Vincent Van Gogh sur les Estampes Japonaises du XIXe Siècle." The influence of Japanese art in Van Gogh's works is illustrated by a side-by-side display of prints by Hokusai, Hiroshige and other Japanese masters and reproductions of the artist's works that show his use of similar motifs.

Paris: Galeries Nationales du Grand Palais, tel: 01-44-13-17-17, closed Tuesdays and May 1, Continuing To July 12: "L'Art Égyptien au Temple des Pyramides." Brings together art from the Old Kingdom (c. 2700-200 B.C.), when the pyramids were built, the temples decorated with colored reliefs and the tombs filled with furniture, jewelry and crafted objects.

GERMANY

Düsseldorf: Kunstsammlung Nordrhein-Westfalen, tel: (211) 8381-0, closed Mondays, To June 27: "Hidden Treasures From the Trier-Basilica Museum." On loan from the Trier-Basilica museum, more than 100 statues, masks and other items from the former colony of Congo. The collection was set up by King Leopold II at the end of the 19th century to celebrate the Belgian people with the "Black Continent."



A Cartier-Bresson portrait of the French writer Colette, bottom, is part of an exhibition in Edinburgh.

Stuttgart: Staatsgalerie, tel: (714) 212-4050, closed Mondays and May 1, To June 27: "Giovanni Battista Piranesi: Die Poetische Welt." Etchings by the Italian engraver and architect (1720-1778). If Piranesi's visions did not aim at constructing architecture, his views of ancient Rome and imaginary ruins paved the way for Italian Romantic landscape painters.

HONG KONG

University Museum and Art Gallery, tel: 2975-5600, closed Fridays, To May 1: "Art Fashion: Originals by Famous Fashion Illustrators of the 20th Century." More than 120 drawings by such fashion illustrators as Erté, Inge and Christian Bérard.

JAPAN

Tokyo: Museum of Contemporary Art, tel: (3) 3445-0851, closed Wednesdays, To May 30: "Cross-

prints by the Dutch sculptor whose work was commissioned by Emperor Rudolf II in Prague, as well as other European royalties.

SWITZERLAND

Martigny: Fondation Pierre Gianadda, tel: (27) 722-3878, open daily, Continuing To June 8: "Turner & Las Alpas: Works on paper created by the British painter (1775-1871) while he traveled through the French and Swiss Alps in 1802."

UNITED STATES

Baltimore: Walters Art Gallery, tel: (410) 547-8000, open daily, Continuing To May 8: "Land of the Winged Horsemen: Art in Poland, 1572-1764." On loan from Polish museums, portraits, armor, costumes, objects in silver and gold from a land that was influenced by its position at the crossroads of eastern and western cultures.

New York: Museum of Modern Art, tel: (212) 708-9400, closed Wednesdays, To June 1: "The Museum as Muse: Artists Reflect." More than 180 paintings, sculptures, photographs, drawings, videos and installations by 60 artists who reflect on the concept of museum, explore its relationship to the art it contains and incorporate some of its aspects in their work. The exhibition presents "personal museums" created by Broodthaers, Oldenburg and Soler.

Washington: Arthur M. Sackler Gallery, tel: (202) 357-2700, open daily, To Sept. 6: "Devil, The Great Goddess." More than 100 representations of the Hindu goddess. The sculptures in bronze, stone, terra-cotta and paintings on paper and textiles from India, Nepal, China and Pakistan range in style over 2,000 years.

CLOSING SOON

Americas: April 18: "French Drawings From the Horvitz Collection." Art Gallery of Ontario, Toronto.

Asia: April 18: "A 4000-Year Art Expedition: From Ancient Egypt to Andy Warhol." Tokyo Fuji Art Museum, Tokyo.

Europe: April 18: "Georges Pompidou at la Mode." Jeu de Paume, Paris.

Stockholm: Nationalmuseum, tel: To Aug. 29: "Adrian de Vries, Imperial Sculptor, 1556-1626." Fifty bronzes and 25 drawings and

BOOKS

FOR THE TIME BEING

By Annie Dillard. 205 pages. \$22. Alfred A. Knopf.

Reviewed by Christopher Lehmann-Haupt

ALMOST desperately, you look for a pattern in the seeming randomness of Annie Dillard's disturbing new book, "For the Time Being," which she describes in a note as comprising "scenes from a paleontologist's explorations in the deserts of China, the thinking of the Hasidic Jews of Eastern Europe, a natural history of sand, individual clouds and their moments in time, human birth defects, information about our generation, narrative bits from modern Israel and China, and quizzical encounters with strangers."

You want meaning if only because many of Dillard's descriptions are so upsetting. She begins by describing some "vivid photographs" in the standard manual of human birth defects. "Smith's Recognizable Patterns of Human Malformation": "If you gave birth to two bird-headed dwarfs, as these children's mother did — a boy and a girl — you could carry them both everywhere, all their lives, in your arms or in a basket, and they would never leave you, not even to go to college."

She goes on to describe how in the year 135 the Romans killed Rabbi Akiva for teaching Torah. "They killed him by flogging his skin and stripping his bones with curycombs. He was 85 years old. A Roman curycomb in

those days was an iron scraper; its blunt teeth combed mud and burrs from horsehair. To flay someone was an unusual torture — the wielder had to bear down. Perhaps the skin and muscles of an old scholar are comparatively loose."

What is Dillard up to here in this book, which seems to be a throwback to her early prose poem "Holy the Firm" (1977), in which she searches for goodness in a world where her neighbor's daughter has just had her face burned away in an airplane accident?

As quickly becomes evi-

dent, Dillard, like the reader, also longs for meaning. Interspersed with her reports of catastrophes are anecdotes about the likes of the French paleontologist Pierre Teilhard de Chardin; the founder of Hasidism, Israel ben Eliezer, whom his followers called the Baal Shem Tov or the Master of the Good Name; and sundry other mystics, visionaries and religious philosophers.

By degrees a pattern establishes itself in the text: Descriptions of great evil are followed by comments about sand, which are juxtaposed

with mind-numbing statistics, which are contrasted with comments attempting to explain God's ways.

From this pattern several fundamental questions arise: First, how can God know and love each member of the Earth's population? Second, how can any of us know and love anyone besides our family and friends, which, as Dillard writes, compose "a group smaller than almost all sampling errors, smaller than almost all rounding errors, an invisible group at whose loss the world will not blink?"

Third, how can evil exist in a world created by God? And finally, who are we anyway and what on earth are we doing here?

Why doesn't Dillard simply ask these questions and set about to answer them directly? Because the power of her stories and imagery heightens our desire for answers.

Dillard scales down her cosmic questions to matters of individual human conduct. Her answers are not for eternity but only "For the Time Being," by which she means the here and now.

BRIDGE

By Alan Truscott

THE most disappointed player of 1999, or at any rate a candidate for the title, is the French world champion Pierre Chémia.

On the diagrammed deal in the final of the Open Swiss Team Championship at the conclusion of the American Contract Bridge League's Spring Nationals in Vancouver, British Columbia, he sat West defending a contract of two hearts. Since the declarer on his right held six trumps headed by the ace-trumps, he could reasonably hope to score at least four trump tricks and defeat the contract. But...

The declarer was Michael Polowan who was on his way to victory in the event with Sam Lev, Brian Glubok, John

Mohan and Barret Shenkin. Bidding led to two hearts, and South was totally unaware of the catastrophic trump division that awaited him.

Choosing to leave the trumps untouched, he won the diamond lead with dummy's ace. South crossed to the spade ace and led the diamond nine. East was Chris-

tian Mari, who like his partner is a member of the French team that won world team titles in 1996 and 1997. He won with the king and led the club nine, which was covered with the 10, king and ace.

South ruffed a spade, West dropping the king, and led the club queen. West ruffed this and led the diamond jack, which the declarer ruffed. He surrendered a club to the jack, and East was on lead in the position shown at left.

The spade queen was led, ruffed by South with the seven and overruffed by West with the 10. A low heart return would have allowed South to win and lead his club, ending playing West for the second time. Chémia tried the effect of leading the king, but this proved to be no better. Polowan won with the ace, led his club five, and could not be

prevented from making eight tricks and his contract. Chémia, who always has plenty to say in staccato French, needed arms as well as words to express his feelings.

NORTH (D)
♠ J8762
♥ 9
♦ A1083
♣ A74

WEST
♠ K104
♥ KJ10542
♦ QJ5
♣ K

EAST
♠ Q953
♥ Q762
♦ J8863
♣ A

SOUTH
♠ A
♥ AQ8763
♦ 94
♣ Q1052

North and South were vulnerable.
The bidding:
North East South West
Pass Pass 1♥ Pass
1♠ Pass 2♥ Pass
Pass Pass

West led the diamond queen.

THE CAR COLUMN

Toyota's Yaris: A Real Personality

By John Simister

SMALL cars should be fun cars. They tuck into tight spaces, they duck and weave where bigger cars flop and flounder, they are cheeky and cheerful. Small cars attract wacky design ideas, because sensible is boring. And Toyota, Japan's highest automaker, has finally discovered this truth.

The tedious Toyota Starlet, a small car so dull I have trouble forming an image of it in my mind, is gone. In its place comes the Toyota Yaris, full of clever ideas and feel-good features. It has a happy face with enormous eyes, a deeply strange dashboard, more interior space than any rival tiny car and a miniature 1.0-liter engine with 16 valves and variable valve-timing.

It's a cosmopolitan creation. The Yaris — the name is meant to evoke Paris, with questionable success — is aimed at Europeans, so its shape was developed at Toyota's "European Office of Creation" in France, by a Greek designer. It will be built in France from 2001, too. So it's not surprising that the Yaris looks quite French. If you didn't know otherwise, you might think it a Renault or a Citroën.

In most of the Yaris's European markets there's no model hierarchy, just different combinations of trim and equipment designated Moon, Earth and Sun (satellite navigation is optional). Japan's domestic version is called Vitz, in the United States a sedan variant with a 1.3-liter engine is Echo, and a miniature minivan called Verso is planned.

Now, that dashboard. There's nothing but plain plastic ahead of you, but angle your eyes centerward and you'll see the entrance to an oval tunnel. At its far end, where the engine should be and seemingly suspended in space, is a luminous, digital instrument display. The idea is to reduce your eyes' refocusing when you look from



road to display and back, but it also makes the Yaris seem more spacious. The display isn't really under the hood, of course. It's done by mirrors.

The rest of the cabin is similarly contra-normal. Here the surfaces resemble stone or handmade paper. There are four big, round air vents, and enough storage spaces to ensure you'll never find your mobile phone again.

You sit high, for the Yaris is a tall car, so you get a great view out. At least, you would if the windshield pillars weren't so thick. Entire vehicles can hide behind them, so care is needed in traffic. Trunk space is small, but you can slide the rear seat forward by up to six inches to increase it and still have enough legroom left for young children.

This small-is-fun notion should apply to the driving as well as to the design, and the Yaris hits the spot here, too. It gets along with more pep than you'd expect, because that tiny engine delivers a healthy 68 bhp, channeled to the front wheels via a transmission with a short, switch-like shift action (an automatic clutch is optional). And it's quiet at speed, unless you thrash the engine without mercy.

More problematic are the clonks from the suspension on poor roads. They make the ride sound bumper than it is, but sound track apart the Yaris rolls along in the way of the best small cars from... that's right, France. It steers accurately and grips the road firmly, so it's as agile through traffic as a small car should be.

The key point about the Yaris, though, is that you could actually hanker after one as a desirable object. That it will no doubt prove as reliable and painless to own as other Toyotas is a bonus, as is its aggressive pricing, but these attributes do not define the car. Most Toyotas are white goods

on wheels, but this one has real personality. And that doesn't happen often.

Toyota Yaris. About \$11,500 in Europe. Four cylinders, 998cc, 68 bhp at 6,000 rpm. Five-speed manual transmission, rear-wheel drive. Top speed: 155 kph (95 mph). Acceleration: 0-100 kph in 14.1 seconds. Average fuel consumption: 5.6 liters/100 km.

Next: Honda HR-V

John Simister writes for Car magazine and other publications.

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Abstract of the Conference Program

Thursday 22 April 1999

Investment Strategies and Techniques

- Mr. Heinz FISSORE, Government Counsellor for Finance and Economy (Monaco)
- Dr. Peter WÄLLENBERG, Honorary Chairman, Investor AB (Stockholm)
- Mr. Bryan ALLWORTHY, Vice President Merrill Lynch Equity Strategist (London)
- Mr. Edmund MCGREGOR, Director General, Monaco Rowland Corporate Services SAM (Monaco)
- Mr. Peter STEIMLE, Chief Executive Officer, Fidelity SA (Luxembourg)
- Mr. Olivier GOURRAGNE, Directeur Stratégique de Portefeuilles, Fidelity Investments (Paris)
- Mr. Gary DUGAN, V.P., European Equity Markets Strategist, JP Morgan Securities Ltd (London)

Friday 23 April 1999

- Mr. Christopher P. MURPHY, Senior Investment Manager, Coutts & Co. (London)
- Mr. Björn JÄRNHALL, Senior Consultant Strategy Group, TREMA Treasury Management (Sophia Antipolis)

The advent of electronic finance & the Internet

- Prof. Serge MIRANDA, Directeur du DESS MBDS, Université de Nice Sophia Antipolis
- Mr. Stefan FICHLER, Executive Vice President Sales, Lufthansa German Airlines (Frankfurt)
- Mr. Pierre-Jean DOUVIER, Avocat associé au Bureau Francis Lefebvre (Paris)

3.00 p.m. / 5.00 p.m.: Monaco, an expanding financial center

- Mr. Michel PASTOR, Président, Chambre de Développement Economique de Monaco
- Mr. Joseph-Alain SAUZIÈRE, Délégué Général, Association Monégasque des Banques
- Mme Catherine GREGGIER, MATHYSSSENS, Directeur de l'Expansion Economique de Monaco
- Mr. Pierre-Jean DOUVIER, Avocat Associé, Bureau Francis Lefebvre (Paris)

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Herald Tribune

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Thursday's 4 P.M. Close

The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

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| 132 | 131 | 130 | 129 | 128 | 127 | 126 | 125 | 124 | 123 | 122 | 121 | 120 | 119 | 118 | 117 | 116 | 115 | 114 | 113 | 112 | 111 | 110 | 109 | 108 | 107 | 106 | 105 | 104 | 103 | 102 | 101 | 100 | 99 | 98 | 97 | 96 | 95 | 94 | 93 | 92 | 91 | 90 | 89 | 88 | 87 | 86 | 85 | 84 | 83 | 82 | 81 | 80 | 79 | 78 | 77 | 76 | 75 | 74 | 73 | 72 | 71 | 70 | 69 | 68 | 67 | 66 | 65 | 64 | 63 | 62 | 61 | 60 | 59 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Boeing Posts Ninefold Profit Jump

Aircraft Maker Recovers From Profit-Sapping Production Snags

SEATTLE — Boeing Co. said Thursday that its earnings surged more than ninefold in the first quarter, beating analysts' expectations, as the world's largest aircraft maker rebounded from severe production bottlenecks in the year-earlier period.

Net income at Boeing rose to \$469 million, or 50 cents a share, from \$50 million, or 5 cents, in the first quarter of 1998. Analysts surveyed by First Call Corp. expected the company to earn 42 cents a share. Sales rose 12 percent, to \$14.4 billion.

Phil Condit, Boeing chairman and chief executive officer, said all three operating units — commercial airplanes, military aircraft and missiles, and space and communications — contributed to a solid first quarter.

"The production health measurements in all of our commercial airplane programs improved significantly as the recovery plan continued to yield the intended results," Mr. Condit said.

"We were especially pleased with the smooth production rate increase on our next-generation 737 lines to a record 24 airplanes a month."

Boeing's jetliner plants struggled to keep up with demand from airlines in the past two years, frustrating investors,

driving the stock down and forcing a management shake-up.

The quarterly profit, though small when compared with Boeing's sales, signals that the worst of the production problems may be over.

The commercial airplane segment had operating earnings of \$382 million for the quarter, up from just \$23 million a year earlier, when Boeing was beset with production line snafus, parts shortages

and delays in bringing out the new 737s.

Revenue from commercial jets was \$9.8 billion, up \$1.7 billion from first quarter 1998. The commercial jet group's operating margin rose to 3.9 percent in the quarter after barely breaking even a year earlier.

For all of 1998, commercial airplanes — traditionally Boeing's moneymaker — produced an operating loss of \$266 million, dragging down the company's overall performance and sparking rumors that Mr. Condit's job was in jeopardy.

Boeing delivered 148 commercial jets in the first quarter, 40 more than in the year-ago period.

General Motors and Ford both report earnings gains. Page 14.

The military aircraft and missile segment had operating revenue of \$3 billion, about the same as last year, while space and communications had \$1.5 billion, \$300 million lower than a year earlier, due in part to fewer deliveries of Delta 2 rocket boosters.

Some investors anticipated better-than-expected earnings.

Boeing shares jumped \$3.375 to \$38 on Wednesday, their biggest gain in five months, and continued to climb Thursday, up \$3.75 to \$41.75 in late afternoon trading in New York.

The stock had fallen 24.5 percent in two years, the worst performance for the 30 companies in Dow Jones industrial average. (Bloomberg, AP)

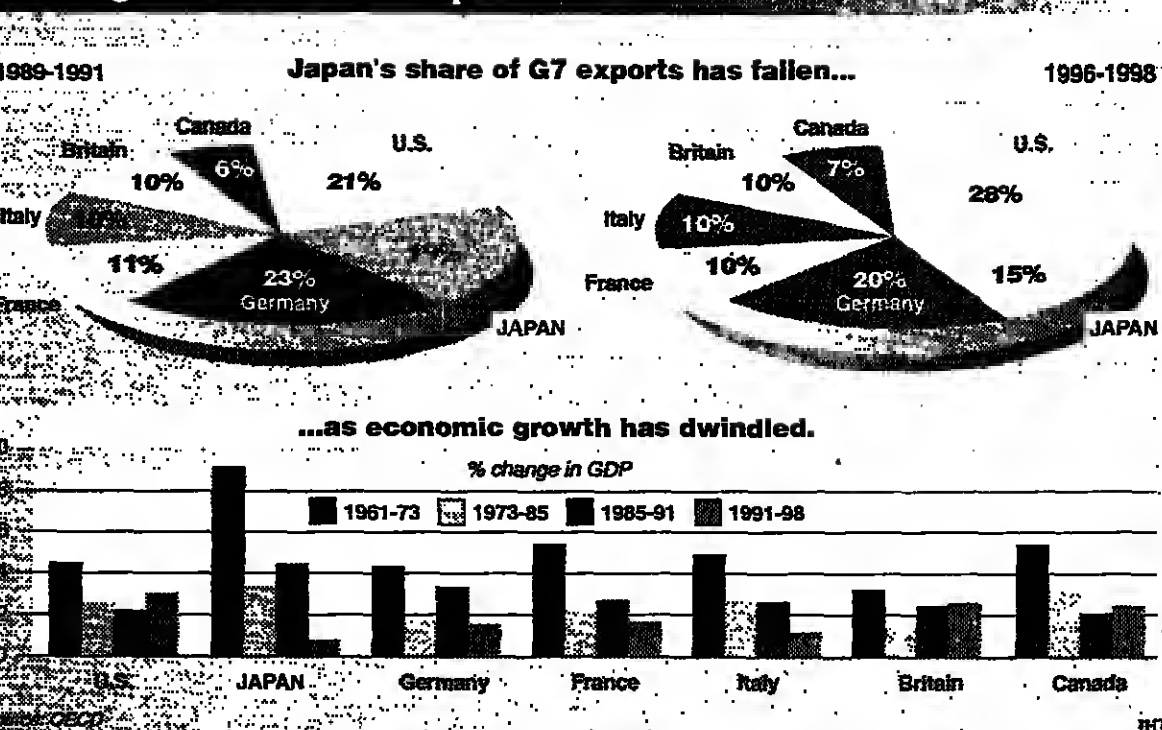
■ **Airbus to Decide on Small Jet**

Airbus Industrie could decide as soon as Friday whether to build the 100-seat A318, its next challenge to Boeing Co. analysts in Toulouse, France, said, Bloomberg News reported.

Airbus said the \$37 million jet would be discussed by executive board members at a meeting Friday. Airbus had planned to make a decision before 1999, but postponed it until there was a business case for the jet.

The A318 would add a fourth member to Airbus's three-jet A320 family.

Losing Momentum at Japan Inc.



Japan Trade Gap Falls as Exports Drop

Compiled by Our Staff From Dispatches

TOKYO — The government said Thursday that Japan's trade surplus had fallen 32 percent in February from a year earlier as a stronger yen hurt exports.

The current-account surplus, the broadest measure of trade in goods and services, slipped to 1.112 trillion yen (\$9.37 billion) in February, the Finance Ministry said.

Imports fell 5.4 percent, to 2.363 trillion yen, while exports dropped 13 percent, to 3.461 trillion yen. The figures are not seasonally adjusted.

On a month-to-month basis, the trade surplus was down 19 percent from January as a government spending spree aimed at cranking up the economy fueled demand for imports.

Government cash for public-works projects started pouring into the economy in February. A string of indicators has suggested that pump-priming is the only thing that is stopping the economy from getting worse.

The Organization for Economic Cooperation and Development warned this week that problems in Japan's regulatory structure were holding back growth, saying that without reform, Japan faces the prospect of "prolonged economic stagnation and persistently high unemployment."

Japan needs to make a "sharp break with past regulatory practices," the OECD said.

"Structural rigidities" were the biggest reason Japan had turned in the worst economic performance in the Group of Seven leading industrial nations since 1992, the OECD said. It said they arose from "an increasingly outmoded regulatory and institutional framework."

Analysts said the plunge in exports in February was another worrying sign of more economic troubles ahead for Japan.

Matthew Poggel, an economist at Lehman Brothers Inc., said the weakening in exports was largely the result of the strength of the yen since the end of last year.

A strong yen hurts Japan's exports by making the country's products more expensive abroad.

The drop in the surplus in February was the first fall in three months and only

the second since April 1998.

The surplus was slightly lower than the average estimate of 1.19 trillion yen made by economists based in Tokyo and surveyed by Dow Jones Newswires.

Japan's trade surplus has long been a source of friction with the United States and other trading partners, who have been urging Japan to boost its economy to stimulate imports.

Washington also has threatened punitive measures unless Tokyo opens its markets to more foreign competition.

Japan's current-account surplus for all of 1998 surged 38.7 percent to a record 15.9 trillion yen.

The current-account balance, which measures exchanges in merchandise, services, tourism and investment, is calculated by determining the difference between Japan's income from foreign sources and its payments on foreign obligations. It excludes net capital investment.

The decline in imports in February indicates that domestic demand remains weak as the economy struggles to dig out of a recession. Furthermore, economists said the lower import figure had itself

been skewed upward by a quadrupling in aircraft imports, to 179.8 billion yen on a customs-cleared basis, after six large planes were bought following the expansion of Tokyo's Haneda Airport and an increase in international flights.

"A steep increase in the imports of aircraft, I believe, is just a temporary phenomenon," said Koichi Ono, economist at the Daiwa Research Institute. "It has nothing to do with recovery of the Japanese economy."

"Given the severity of Japan's recession, the February fall does not mean that the downturn of the current account has started," Mr. Ono said. "Rather, Japan's economy has a long way to go before it recovers."

Taichi Sakaiya, the state minister for economic planning, told a committee on finance in the upper house of Parliament that he could not rule out fears that the government's economic measures would "run out of steam."

"If the current economic conditions continue," he said, "they would pass on to private demand, particularly consumption." (AP, AFP, Bloomberg)

U.K. Euro Foes Campaign in City of London

By Tom Buerkle
International Herald Tribune

LONDON — Opponents of Britain's participation in the euro took the debate to the heart of London's financial district Thursday, turning the City into a crucial battleground as the government of Prime Minister Tony Blair seeks to build public support for the single currency.

Business for Sterling, a group of business leaders opposed to joining the euro, gathered a number of bankers here to argue that the euro was irrelevant at best, and a menace at worst, to the fortunes of London's banks and brokerages.

"Whatever currency happens to be in use in Britain is probably the most insignificant factor of the many factors that determine London's competitive position in the world," said Stanislas

Yassukovich, chairman of the fledgling pan-European stock exchange Easdaq and a former chairman of Merrill Lynch Europe. "The City is a global financial center, not just a European one. Business is done in every currency."

The attempt to claim the hearts and minds of the financial community was the first major move by euro opponents since Mr. Blair indicated his strong leaning in favor of the single currency two months ago by presenting a national changeover plan in Parliament. It gave a taste of what is expected to be a heated campaign, particularly as the next general election approaches in 2001 or 2002.

Mr. Blair has indicated he would like to hold a referendum on the euro shortly after the election.

As the largest financial center in Europe, the biggest market for foreign-

exchange trading in the world and home pan-European stock exchange Easdaq and a former chairman of Merrill Lynch Europe. "The City is a global financial center, not just a European one. Business is done in every currency."

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See CITY, Page 14

Thinking Ahead / Commentary

Balkan Conflict Erodes U.S.-EU Trust

By Reginald Dale
International Herald Tribune

L A CHAPPELLE-EN-SERVAL, France — Here are three splendidly loony conspiracy theories about the war in Yugoslavia that have appeared in serious French newspapers (Le Monde and Le Figaro) in recent days:

"The U.S. aim is to promote ultra-free-market policies and 'save' international deregulation by destroying the sovereignty of states, such as Yugoslavia and Russia, that resist 'modernization.'"

"The military campaign is fostered by sinister European integrationists, who hope it will increase pressure for a 'political Europe,' crushing the independence of countries such as France."

"Washington is fomenting the Balkan crisis as the only way of preventing the emergence of a powerful Europe that would rival the United States."

Needless to say, these theories are advanced in opinion columns without any serious attempt to substantiate them, and not necessarily with the editorial support of the newspapers that print them. Public opinion, in France and elsewhere in the European Union, is heavily in favor of the U.S.-led NATO air campaign.

But in their crazy way, the conspiracy theories serve a purpose beyond entertainment. They draw attention to the mutual suspicions and misunderstandings that are growing between Europeans and Americans, at least in some intellectual circles, as the worst fighting since World War II rages in Europe.

For many Europeans, the war has exposed the weakness of the European Union — just as it seeks to achieve closer integration through a single currency — and dramatically highlighted the need for closer European political,

and perhaps military, unity.

Many Americans, however, see those ambitions, coming on top of the introduction of the euro, as an unwelcome sign that Europe is trying to assert a world role that could clash with U.S. global interests. (France, inevitably, is assumed to be the main troublemaker.)

Such European uprightness would be anathema to many in Washington who have long held that Europe should confine itself to being a regional economic power, while the United States takes care of the geopolitics. Those kinds of complaints, and others, were aired at a conference organized here last week-end by the New Atlantic Initiative, a U.S.-based policy group seeking to promote closer Atlantic relations, and the

Suspicion and misunderstanding are growing, at least in some circles, as the worst fighting since World War II rages in Europe.

French Institute of International Relations.

The flames were unwittingly fanned by Edouard Balladur, the conservative former French prime minister, who shocked some Americans by calling on Europe to assert its "true independence," not only in trade, economics and currency matters but also in foreign policy and defense.

Mr. Balladur insisted that he did not seek to damage the Atlantic alliance or diminish American power, and his views would probably be shared by many Continental Europeans.

But his speech was peppered with language some Americans find provocative — not least his expression of

the need to escape from "external tutelage," French code for American domination.

That kind of remark confirms the suspicions of some Americans that the euro is not really an economic but a "political" exercise — by which they mean a device to fuddle public to undermine U.S. global influence.

That view was echoed by some Americans attending the conference, who predicted that the Europeans would not rise to the challenge of adjusting their rigid economies to the single currency and that the euro probably would sap rather than stimulate European growth.

Not so, said the Europeans, who argued that the euro already had brought some benefits — such as limiting currency volatility during the Asian financial crisis — and was well on the way to becoming a successful world currency.

To most Europeans, American shock and surprise that the euro is "political" is hard to fathom. It is hardly a secret that European unification since the 1950s has been driven by the idea that economic integration will lead to closer political unity.

Both sides can help to avoid further misunderstandings. Americans should stop implying that Europe is not entitled to choose its own future and understand that the quest for European unity is driven by much deeper and more historic forces than French mischief-making.

A strong Europe is good for Atlantic cooperation and the burden-sharing that many Americans want, not a threat to it. But Europeans should be less obviously resentful of U.S. power, especially when they need it to solve their own problems. And they should drop words like "tutelage," which only encourage the conspiracy theorists.

E-mail address: Thinkahead@iit.com

China Hails Zhu Visit To U.S. as Successful

By Erik Eckholm
New York Times Service

BEIJING — Officials and foreign-policy specialists here are calling Prime Minister Zhu Rongji's American visit a success.

China's leaders had seriously considered postponing the trip because of anger over the bombing of Yugoslavia and expectations of a hostile political atmosphere in Washington.

But they decided to proceed and then saw Mr. Zhu charm his way across the United States, deflecting debate on the most divisive issues such as human rights and Tibet. They saw American business leaders flock to see Mr. Zhu and saw President Bill Clinton, after wavering, promise to reach agreement soon on China's entry into the World Trade Organization.

On Thursday, a Foreign Ministry spokesman called the visit "constructive and fruitful," a positive step toward stronger Chinese-American relations.

An academic specialist on American politics, Jin Canrong, said, "Our expectations were low, but the general feeling is that the trip was successful." Mr. Jin is a researcher at the Government-sponsored Chinese Academy of Social Sciences.

In part because of uncertainty over the outcome and in part because of domestic poli-

tics, the state media coverage of the trip has been somewhat muted.

The dance over China's effort to join the World Trade Organization, including Mr. Zhu's concessions toward open markets and Mr. Clinton's shifting responses, was not reported in detail. Instead, even in the darkest early phase, the press here simply reported that major progress had been achieved.

The People's Daily, the publication of the governing Communist Party, carried a gushing commentary by a Chinese-American but has not yet issued its own editorial assessment of the visit.

Mr. Zhu, who is in charge of economic policy and the operations of the government, is the third-highest-ranking party official, after President Jiang Zemin and Li Peng, the former prime minister who now heads the National People's Congress.

In a striking display of party control over the press, throughout the past week Mr. Zhu's trip received second or third billing behind activities of the other two top leaders, regardless of the seeming importance of the events.

Chinese analysts said this did not indicate any threat to Mr. Zhu's position but was a reminder that Mr. Zhu could not outpace Mr. Jiang and that Mr. Li remained a strong

See TRADE, Page 14

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CURRENCY RATES

| Cross Rates | | | | | April 15 | | | | Other Dollar Values | | | |
|--------------|--------|--------|--------|---------|----------|---------|---------|---------|---------------------|--------|----------------|--------|
| | \$ | £ | SF | Yen | CS | Dome | Greek | Swede | Currency | Pers | Chang. | Chang. |
| London (a) | 1.6124 | | 2.4134 | 192.053 | 2.4057 | 11.1712 | 487.439 | 12.3604 | Argent. peso | 0.0999 | Hong Kong | 2.2409 |
| New York (b) | | 1.6097 | 1.4983 | 118.93 | 1.4883 | 6.8905 | 302.90 | 8.2774 | Australian \$ | 1.5379 | India Rupee | 42.79 |
| Tokyo | 119.15 | 192.22 | 80.27 | | 77.81 | 17.31 | N.G. | 14.42 | Bras. Real | 1.6475 | Indo. Rupee | 46.63 |
| Toronto | 1.489 | 2.3958 | 0.9935 | 1.253 | | 0.2143 | 0.4911 | 0.1793 | Chinese yuan | 0.2796 | Israeli Sheq. | 4.0028 |
| Zurich | 1.4986 | 2.4105 | | 1.2559 | 1.0053 | 21.5822 | 0.4946 | 0.1807 | Egypt. Pound | 2.016 | Kor. Won | 1.205 |
| | | | | | | | | | Chad. Franc | 0.0215 | Lab. Pw. | 1.028 |
| | | | | | | | | | Hong Kong \$ | 7.249 | Mexican peso | 0.055 |
| | | | | | | | | | Chang. Rouble | 41.55 | N. Zealand | 1.8512 |
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| | | | | | | | | | Pak. Rupee | 92.71 | S. Africa Rand | 4.28 |
| | | | | | | | | | Phil. Peso | 38.12 | S. Korea Won | 121.80 |
| | | | | | | | | | Polish Zloty | 3.97 | Taiwan \$ | 32.85 |
| | | | | | | | | | Russian Ruble | 2.482 | Thai Baht | 37.45 |
| | | | | | | | | | Saudi Rial | 3.75 | UAE Dirham | 3.671 |
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| Euro Values | | | | Euro Cross Rates | | | |
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| Fixed rates of the ERM member currencies, for one euro: | | | | | | | |
| Austrian schilling | 13.7603 | Irish punt | 7.8756 | Dr. Hungary | 200.48 | Port. Escudo | 200.48 |
| Belgium/Lux. Franc | 40.3399 | Italian lire | 1,936.27 | Spain. Peseta | 166.386 | | |
| French centime | 6.55957 | Neth. guilder | 2.20371 | | | | |
| French franc | 6.55957 | Portug. escudo | 200.482 | | | | |
| German mark | 1.93627 | Spanish peseta | 166.386 | | | | |

THE AMERICAS

Falling Chip Prices Bruise Manufacturers - and the Market

By Lawrence M. Fisher
New York Times Service

SAN FRANCISCO — The brutal price competition of the past two years among computer-chip makers is now exacting a heavy toll.

With the market already limping from the soft sales forecast made Tuesday by Intel Corp., a big first-quarter loss reported Wednesday by Advanced Micro Devices Inc. sent investors in technology stocks scrambling for the exits.

"We have seen a permanent — and I emphasize the word 'permanent' — change in the microprocessor business, and I don't think prices will ever recover," said Drew Peck, an analyst with S.G. Cowen Securities Corp.

"PCs and microprocessors have stagnated in their technology," he said, noting that the basic design underlying Intel's and Advanced Micro's microprocessors was 20 years old.

"No longer is the PC business driven by technological advancement. It's driven purely by price."

Advanced Micro had warned on three occasions that the quarter would be weak, and its actual loss was slightly smaller than analysts' estimates.

For the quarter ended March 28, Advanced Micro reported a loss of \$128.4 million, widened from a loss of \$62.7 million in the year-earlier period.

Revenue rose 17 percent, to \$631.6 million from \$540.9 million in the first quarter of 1998, but it was down 20 percent from the \$788.8 million reported in the fourth quarter, which ended Dec. 27.

The first-quarter results included a charge

of \$15 million for restructuring and other special charges.

Those results, widely viewed as devastating, further clarified what Intel's modest revenue shortfall Tuesday only hinted at: that the pricing environment for microprocessors, the silicon brains of personal computers, is the worst it ever has been.

But while Intel, through cost savings, eked out earnings, Advanced Micro struggled to make projected volumes of its microprocessors, particularly the faster chips that command higher prices. Further fueling investor anxiety was the fact that both earnings reports followed a warning from Compaq Computer Corp. last Friday that its first-quarter results would fall far short of expectations.

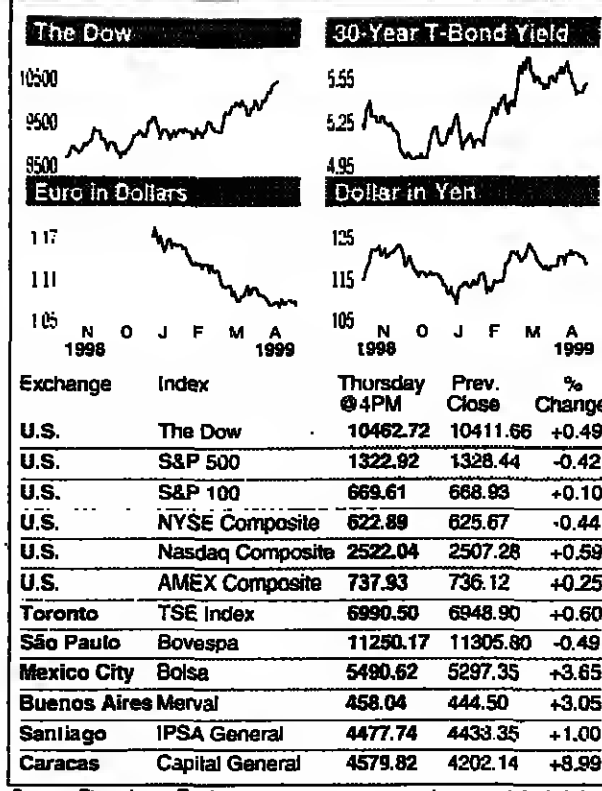
Paradoxically, this week also has seen strong comebacks by two technology compa-

nies. On Tuesday, Motorola Inc. reported a 20 percent rise in profit, mostly as a result of its cellular-telephone business, and Apple Computer Inc., which had been all but written off by the market in the past few years, on Wednesday reported solid net income well above analysts' expectations.

But the basic arithmetic leaves little hope for improvement. With a \$500 personal computer offering most of the performance and features of a \$1,500 model, nearly all growth has shifted to the low end of the market.

There is no room for a \$500 microprocessor in a \$500 PC, so the bulk of Advanced Micro and Intel's sales has shifted to less costly chips. Intel still can make respectable profit margins with high-end chips, but Advanced Micro does not make a workstation-class microprocessor.

Investor's America



Very briefly:

- **Mattel Inc.**, the world's largest toy maker, will close plants and cut more than 3,000 workers, a tenth of its work force, to cut costs. Mattel also reported a first-quarter loss of \$17.9 million, in line with analysts' estimates, on a 1.9 percent drop in sales and said it would spend \$50 million to build up an Internet unit that may go public.
- **A PairGain Technologies Inc.** employee, Gary Dale Hoke of Raleigh, North Carolina, was charged with securities fraud in the posting of a fabricated news report on the Internet that drove up the California-based company's stock.
- **Delta Air Lines Inc.**'s third-quarter earnings rose 10.8 percent from a year earlier as it benefited from lower fuel prices and higher fares. Net income in the quarter, which ended March 31, climbed to \$216 million.
- **Cadbury Schweppes PLC** agreed to buy Procter & Gamble Co.'s Hawaiian Punch brand for \$203 million as it focuses its soft-drinks business on the U.S. market.
- **The Chicago Board of Trade's** president and chief executive since 1982, Thomas Donovan, refused to step down as demanded by the exchange's new chairman, David Brennan, setting the stage for a showdown before the exchange's board at its meeting Monday, persons familiar with the standoff said.
- **Unocal Corp.** agreed to buy a 46 percent stake in Northrock Resources Ltd., a Canadian natural-gas producer, for as much as \$65 million Canadian dollars (\$17.4 million) in an apparent bet that prices for the fuel will rise as reserves dwindle in the United States.
- **Pfizer Inc.**'s first-quarter profit rose 18 percent from a year earlier, to \$815 million, as it sold more of its new drugs such as the anti-influenza pill *Relenza* and older ones such as the antibiotic *Zithromax*.
- **Gillette Co.** reported first-quarter profit that was little changed, Net income was \$269 million, compared with \$268 million a year earlier; the lack of growth was attributed to weak sales in Brazil.

Surge in Confidence Lifts Dollar Against the Euro

NEW YORK — The dollar rose against the euro Thursday as a report by the U.S. Federal Reserve Bank showed a surge in confidence among manufacturers, a sign that the U.S. economy remained far more robust than those of Europe.

Traders bought dollars after the Federal Reserve Bank of Philadelphia's general economic index of area manufacturers jumped to 36.4 points in April from 10.4 in March. Analysts had expected an index reading of 12.5 for this month.

The dollar also rose to 1.183 yen from 1.181 yen. The U.S. currency was underpinned by speculation that the Bank of Japan would buy dollars to keep a rising yen from endangering prospects for a Japanese economic recovery.

The dollar rose to 1.4983 Swiss francs from 1.4864 francs, and the pound fell to \$1.6097 from \$1.6136.

Europeans will be not confident the dollar will rise further in order," said Rob Deluca, chief trader at Den Danske Bank, the conflict in Yugoslavia also adds to the dollar's strength as a haven in times of international turmoil, he said.

Traders bought dollars after the Federal Reserve Bank of Philadelphia's general economic index of area manufacturers jumped to 36.4 points in April from 10.4 in March. Analysts had expected an index reading of 12.5 for this month.

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Strong Earnings Raise Blue Chips

NEW YORK — Blue-chip stocks rose Thursday, buoyed by strong earnings reports from big industrial companies. But the broader market was mixed as investors were unnerved by an early sell-off in Internet stocks.

At the close, the Dow Jones industrial average was up 51.06 points at a record 10,462.72. But the Standard & Poor's 500 index was down 5.52 at 1,322.92. The Nasdaq composite, which includes most Internet issues, recovered from a steep early loss to gain 14.76 points to 2,522.04.

On the New York Stock Exchange, advancing stocks outnumbered declining ones by a ratio of about 4-to-3.

Leading the Dow higher were so-called cyclical stocks, those that ebb and flow with the economy, after robust earnings reports from General Motors, Ford Motor

and Boeing. Among those cyclical issues, International Paper rose 3 5/16 to \$55 9/16, and Du Pont gained 2 1/2 to \$74 1/2, adding to a big jump the day before.

But some brokerage firms, which had been surging, also on

U.S. STOCKS

strong earnings news, were among the biggest losers. Particularly hard hit were the stocks of firms that do much of their business on-line.

Charles Schwab, the biggest on-line broker, fell 1 1/4 to 123 1/2. The company reported earnings that were above expectations, but the stock had been surging in recent days. Donaldson, Lufkin & Jenrette, which also has a substantial on-line presence, dropped 7 15/16 to 85 1/16, even though the company reported a smaller-than-expected decline in profit.

Some analysts said the volatility

in the Internet sector hinted at possible tremors ahead.

During the past three years, the U.S. market has corrected during the summer period," said Scott Fullman, chief options strategist at Swiss American Securities. "The correction is normally led by a downturn in the high-technology group, resulting in an annual 'tech wreck.'"

Treasury prices were lower, with the 30-year bond down 8/32 at 96, pushing the yield up to 5.52 percent from 5.51 percent.

(Bridge News, Bloomberg)

Mexican Stocks Surge

The main index of Mexican stocks surged to a record, making it the best-performing market in the world this year, on optimism that low interest rates and a strong peso will lift consumption.

At the close, the Bolsa index was up 193.27 points, or 3.65 percent, at 5,490.62.

GM and Ford Report Higher Profits

DETROIT — General Motors Corp. and Ford Motor Co. reported solidly higher earnings Thursday for the first quarter.

GM's profit climbed 31 percent, exceeding Wall Street's expectations, on continued strength in North America.

The company said it earned a record \$2.1 billion in the first three months of the year, compared with \$1.6 billion in the year-earlier period.

Sales were \$42.4 billion, up from \$40 billion a year earlier. GM's revenue figures excluded the sale of Delphi Automotive Systems Corp., its parts unit.

Ford reported a 20 percent increase in operating earnings in the first quarter. Profit was \$1.81 billion, compared with \$1.51 billion for the first three months of 1998. Sales were \$38 billion, compared with \$36.6 billion.

CITY: Foes of Euro Campaign in Britain's Financial Center

Continued from Page 13

and said financial institutions would play a leading role in taking Britain into the euro.

But Mr. Yassukovich dismissed the suggestion that London's financial institutions were solidly in favor of the euro. He said that much of the postwar growth of London's financial markets had nothing to do with sterling but resulted from the explosion of offshore business as banks moved dollar-based business to Britain to escape U.S. regulations.

With that history in mind, euro opponents argue that the single cur-

rency could actually harm London's competitive standing if it brings new European Union constraints with it.

In particular, international banks are lobbying heavily at the moment to exempt the eurobond market, a \$1 trillion capital market based largely in London, from a proposed EU withholding tax on savings.

"If the city does face a problem, it will come from the kind of over-regulation that the euro could present," said Nick Herbert, the chief executive of Business for Sterling.

Other figures joining the anti-euro campaign included Sir John Craven, chairman of Lomlin PLC and a

former investment banking executive; Gerard Lyons, chief economist at DKB International, a Japanese bank; and Roger Bootle, chief economist at Lloyds TSB Bank.

Senior officials have indicated that they are counting on firm support from the financial-services industry when the euro campaign gets going in earnest. So far, however, most leading financiers have stayed on the sidelines. The most prominent support for the euro has come from heads of major multinationals such as Niels Fitzgerald of Unilever and from the Confederation of British Industry.

U. S. STOCK MARKET DIARY

| Thursday, April 15 | | | | | | | | | | |
|--------------------|--------|--------|--------|--------|--------|---------------------|--------|--------|--------|-------|
| Most Actives | | | | | | | | | | |
| Dow Jones | | | | | NYSE | | | | | |
| Symbol | High | Low | Open | Close | Symbol | High | Low | Open | Close | |
| IBM | 110.11 | 109.90 | 110.03 | 110.03 | +0.10 | Amgen | 230.12 | 229.20 | 230.12 | +0.90 |
| Microsoft | 55.00 | 54.90 | 54.95 | 54.95 | +0.05 | Comcast | 200.02 | 199.70 | 200.02 | +0.30 |
| Oracle | 45.00 | 44.90 | 44.95 | 44.95 | +0.05 | Intel | 101.70 | 101.50 | 101.70 | +0.20 |
| Amazon | 35.00 | 34.90 | 34.95 | 34.95 | +0.05 | Pfizer | 131.49 | 131.20 | 131.49 | +0.30 |
| Google | 15.00 | 14.90 | 14.95 | 14.95 | +0.05 | Merck | 132.05 | 131.80 | 132.05 | +0.20 |
| Alibaba | 10.00 | 9.90 | 9.95 | 9.95 | +0.05 | Novartis | 107.73 | 107.50 | 107.73 | +0.20 |
| Twitter | 5.00 | 4.90 | 4.95 | 4.95 | +0.05 | Johnson & Johnson | 127.00 | 126.80 | 127.00 | +0.20 |
| Facebook | 3.00 | 2.90 | 2.95 | 2.95 | +0.05 | United Therapeutics | 100.00 | 99.80 | 100.00 | +0.20 |
| LinkedIn | 2.00 | 1.90 | 1.95 | 1.95 | +0.05 | Abbott | 100.00 | 99.80 | 100.00 | +0.20 |
| Slack | 1.00 | 0.90 | 0.95 | 0.95 | +0.05 | Roche | 100.00 | 99.80 | 100.00 | +0.20 |
| Dropbox | 0.50 | 0.40 | 0.45 | 0.45 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| GitHub | 0.25 | 0.15 | 0.20 | 0.20 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Heroku | 0.10 | 0.05 | 0.07 | 0.07 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Twilio | 0.05 | 0.02 | 0.03 | 0.03 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Stripe | 0.02 | 0.01 | 0.01 | 0.01 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| SendGrid | 0.01 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Mailchimp | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Buffer | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Calendly | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Notion | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Obsidian | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Logseq | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Roam Research | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Forest | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Focus | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Todoist | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| TickTick | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| OmniFocus | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Things | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Day One | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Journal | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Diigo | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Del.icio.us | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| StumbleUpon | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| Reddit | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 4chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 5chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 8chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 9chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 10chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 11chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 12chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 13chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 14chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 15chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 16chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
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| 20chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 21chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 22chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 23chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 24chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 25chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 26chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 27chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 28chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 29chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 30chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 31chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 32chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 33chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 34chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 35chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 36chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 37chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 38chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 39chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 40chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |
| 41chan | 0.00 | 0.00 | 0.00 | 0.00 | +0.05 | Novartis | 100.00 | 99.80 | 100.00 | +0.20 |

NASDAQ

Thursday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar volume, updated twice a year.
The Associated Press.

| Stock | High | Low | Open | Close |
|---------|--------|--------|--------|--------|
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
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| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |

| Stock | High | Low | Open | Close |
|---------|--------|--------|--------|--------|
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
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| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
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| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |

AMEX

Thursday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.
The Associated Press.

| Stock | High | Low | Open | Close |
|---------|--------|--------|--------|--------|
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
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| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
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| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |

NYSE

Thursday's 4 P.M. Close
(Continued)

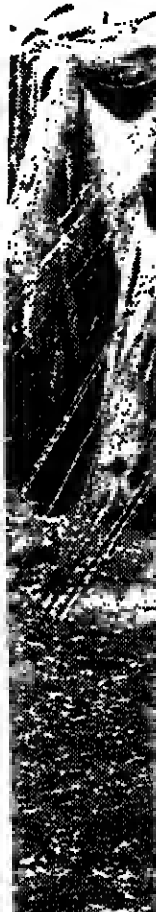
| Stock | High | Low | Open | Close |
|---------|--------|--------|--------|--------|
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
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| Alcatel | 34 1/2 | 34 1/4 | 34 1/4 | 34 1/2 |
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No. 36,128

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Page 7.
Page 5.
Pages 6-7.
Pages 18-19.
www.ihb.com

EUROPE

World Bank Has New Loan for Russia

Compiled by Our Staff From Dispatches

MOSCOW — James Wolfensohn, the president of the World Bank, said Thursday that the bank had promised \$2.3 billion in new loans to Russia over two years once Moscow reached agreement with the International Monetary Fund.

If granted, the World Bank loans would be the first to Russia since the country defaulted on its Treasury debt last August.

"Prime Minister Yevgeni Primakov is committed to a market-oriented system," Mr. Wolfensohn told reporters after talks with government officials. "We have agreed on a very substantial program. We expect to be a long-term constructive partner of the Russian people."

The bank came to an agreement on \$650 million and expects to reach agreement on a further \$1.2 billion in loans by the end of the month, Mr. Wolfensohn said. The loans will be disbursed after the International Monetary Fund approves the government's

economic program. Altogether, the World Bank could lend \$2.3 billion to Russia through 2001, he said.

After Mr. Wolfensohn's comments, the benchmark Russian Trading System stock index gained 3.6 percent. "What we need to do is get guidelines from the Russian government for a clear set of steps which we can agree on," Mr. Wolfensohn said. After that, he said, the bank can "give financial assistance to develop a more sophisticated and better-managed market economy."

The loans will be used to restructure Russia's industrial sector and to finance social reforms, Mr. Wolfensohn said. The World Bank will lend \$250 million for social programs and \$400 million for retraining coal miners.

The \$1.2 billion World Bank structural adjustment loan, which could be approved in the next two weeks, will go toward helping to reform the banking system, improve tax collection and regulate monopoly utilities.

"These are problems of transition," Mr. Wolfensohn said. He said it was

"important we keep this partnership" so as to give the support that Russia needs. The bank will also help arrange a Japanese government credit exceeding \$1 billion.

Mr. Wolfensohn was scheduled to meet with Mr. Primakov on Thursday, but the prime minister was taken to the hospital for an unscheduled medical checkup. Mr. Primakov's deputy, Yuri Maslyukov, replaced him.

The IMF and the World Bank orchestrated a \$22.6 billion bailout package to Russia last year, but disbursements were frozen in August when the government defaulted on some debts and devalued the ruble under the impact of the global crisis in developing countries.

A team from the International Monetary Fund was also in Moscow on Thursday to finalize plans for a new loan. Russia hopes that the resumption of the IMF loans will help attract money from other lenders and possibly persuade them to write off some old debts. (AP, Bloomberg)

Deutsche Telekom Seeks Capital to Grow Abroad

Bloomberg News

BONN — Deutsche Telekom AG said Thursday that it planned a big sale of new shares to finance acquisitions abroad as it adapted to fierce price competition at home that kept its first-quarter earnings flat.

The planned capital increase, worth as much as 11.8 billion euros (\$12.7 billion), would dilute shareholdings of Deutsche Telekom, a prospect that drove down the stock price Thursday. But it would allow the company to respond to a price war in the newly deregulated German market by increasing its foreign presence.

Competition cut first-quarter revenue 7 percent, to 16.1 billion Deutsche marks (\$8.89 billion), keeping net income to 1.04 billion DM, barely higher than its 1 billion DM net income a year earlier, even as the company cut costs.

The company's chief rival captured one-third of Germany's long-distance market in the first year of competition, forcing Deutsche Telekom to slash prices to stem market-share losses.

Analysts say Deutsche Telekom, like other former phone monopolies in Europe, needs to foster growth through international mergers and acquisitions to counter new competition at home.

"Big is beautiful," said Robert Halver, an analyst at Bank Delbrueck & Co. in Frankfurt. "The company needs to look across its borders."

Deutsche Telekom's shares fell 2.85 euros to close at 38.75 in Frankfurt.

| Investor's Europe | | | |
|------------------------|-----------------------|--------------|--------|
| Frankfurt DAX | London FTSE 100 Index | Paris CAC 40 | |
| 5500 | 6750 | 4500 | |
| 5000 | 6500 | 4300 | |
| 4500 | 6250 | 4100 | |
| 4000 | 6000 | 3900 | |
| 3500 | 5750 | 3700 | |
| 3000 | 5500 | 3500 | |
| 2500 | 5250 | 3300 | |
| 2000 | 5000 | 3100 | |
| 1500 | 4750 | 2900 | |
| 1000 | 4500 | 2700 | |
| 500 | 4250 | 2500 | |
| 0 | 4000 | 2300 | |
| Exchange Index | Thursday Close | Prev. Close | Change |
| Amsterdam AEX | 542.20 | 543.00 | -0.26 |
| Bombay BSE 20 | 2,320.83 | 2,330.96 | -0.30 |
| Frankfurt DAX | 5,181.81 | 5,182.18 | -0.02 |
| Copenhagen Stock Index | 677.35 | 678.85 | -0.16 |
| Helsinki HEX General | 6,790.25 | 6,974.85 | -2.85 |
| Oslo OBX | 567.87 | 560.63 | +1.14 |
| London FTSE 100 | 6,468.10 | 6,483.60 | -0.42 |
| Madrid Stock Exchange | 847.58 | 894.05 | -0.73 |
| Milan IMI | 2,493.3 | 2,506.2 | -0.51 |
| Paris CAC 40 | 4,310.84 | 4,349.26 | -0.89 |
| Stockholm OMX | 4,308.43 | 4,418.17 | -2.66 |
| Vietnam SX 18 | 1,207.58 | 1,208.08 | -0.04 |
| Zurich SPI | 4,808.62 | 4,881.91 | -1.57 |

Source: Reuters

International Herald Tribune

ICI to Sell Units to Huntsman for \$2.8 Billion

Compiled by Our Staff From Dispatches

LONDON — Imperial Chemical Industries PLC said Thursday it would sell several businesses to Huntsman Corp. for \$2.8 billion as it moved away from the bulk commodities business to focus on more profitable specialty chemicals.

Once a bellwether for British industry, ICI has been hurt in recent years by weakening bulk-chemicals markets, increased competition from Asian rivals and the massive debt it assumed when it bought specialty-chemicals businesses from Unilever in 1997 for \$8 billion.

The deal with Huntsman includes ICI units producing polyurethanes, titanium

dioxide and petrochemicals.

Huntsman is the largest privately owned chemical concern in North America, and the transaction is expected to make it the world's biggest by expanding its European and Asian activities and introducing it into Africa.

The purchase will involve 7,000 employees in 15 countries.

ICI said the deal would result in initial net proceeds of £1.3 billion (\$2.1 billion), which it plans to use to cut group debt of some \$4.2 billion.

ICI shares rose 5 pence to close at 640, extending gains made Wednesday on market speculation about a deal.

Huntsman will acquire the ICI businesses through a new company, Huntsman ICI, in which ICI has agreed to keep a 30 percent stake for a minimum of three years and a maximum of four.

Huntsman will purchase ICI's three polyurethane manufacturing sites at Wilton, England; Rozenburg, the Netherlands; and Geismar, Louisiana.

Huntsman will also buy Imperial Chemical's share of Olefins production from the cracker in Wilton, at Teesside in northern England.

ICI also said it was considering several options for disposing of its acrylics activities. (Reuters, Bridge News)

Very briefly:

• Deutsche Bank AG will create a French subsidiary but has ruled out any takeover of an existing retail network, according to a board member, Carl-Ludwig. Deutsche Bank has been seen by analysts as a leading candidate to play a role in the current restructuring in the French banking sector.

• Du Pont Co. of the United States and Hael Omer Sabanci Holding AS of Turkey plan a joint venture to develop, make and sell polyester filament, staple, resins and intermediates for European, Middle Eastern and African markets.

• Aer Lingus Group PLC, the Irish state-owned airline, is negotiating with several airlines about a strategic alliance. It was granted permission last September to find an alliance partner before its expected privatization.

• IMI PLC, a British maker of drinks dispensers, agreed to buy PolyPipe PLC for £337 million (\$545.2 million) to try to

benefit from the increasing use of plastic pipes in the plumbing industry.

• LVMH Moët Hennessy Louis Vuitton SA's chairman, Bernard Arnault, bought 20 percent of a British Internet auctioneer, iCollector PLC, for £2.6 million. The company competes with an auction house controlled by Mr. Arnault's opponent in a battle for the Italian fashion company Gucci Group NV, Francois Pinault.

• PSA Peugeot Citroën unveiled a filter it said virtually eliminated emissions of noxious particulates, a big handicap in diesel motors. It said the patented filter system cut particulates to the level emitted by conventional engines.

• Vodafone Group PLC, a British mobile-phone company, is buying Cable & Wireless PLC's mobile-phone unit for £22 million as Cable & Wireless seeks to focus on its traditional fixed-line phone operations. (Bloomberg, Reuters)

WORLD STOCK MARKETS

Thursday, April 15

Prices in local currencies

In euros for ECU countries

Tel Aviv

High Low Close Prev.

Amsterdam

AEX index: 542.20

Prev.: 543.00

Bombay

BSE 20 index: 2,320.83

Prev.: 2,330.96

Copenhagen

Stock index: 677.35

Prev.: 678.85

Frankfurt

DAX index: 5,181.81

Prev.: 5,182.18

Helsinki

HEX index: 6,790.25

Prev.: 6,974.85

London

FTSE 100 index: 6,468.10

Prev.: 6,483.60

Madrid

IBEX 35 index: 847.58

Prev.: 894.05

Milan

IMI index: 2,493.3

Prev.: 2,506.2

Paris

CAC 40 index: 4,310.84

Prev.: 4,349.26

Stockholm

OMX index: 4,308.43

Prev.: 4,418.17

Vienna

WSE index: 4,808.62

Prev.: 4,881.91

Zurich

SPI index: 4,808.62

Prev.: 4,881.91

Tel Aviv

TA 100 index: 1,207.58

Prev.: 1,208.08

Tokyo

Nikkei 225 index: 10,000.00

Prev.: 10,000.00

Hong Kong

Hang Seng index: 11,000.00

Prev.: 11,000.00

Singapore

SSE index: 1,000.00

Prev.: 1,000.00

Bangkok

SET index: 1,000.00

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Manila

PSE index: 2,000.00

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Kuala Lumpur

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Jakarta

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Sri Lanka

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Kuala Lumpur

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INTERNATIONAL INVESTING

In a Hare-and-Tortoise Market, Even Hedge Funds Falter

By Richard A. Oppel Jr.
New York Times Service

NEW YORK — Investors kicking themselves as their portfolios fall further behind index funds and Internet stocks can take comfort in this: They've got prestigious company.

Several of the biggest and most celebrated hedge funds, the free-wheeling private partnerships that invest more than \$200 billion for pension funds, endowments and very wealthy individuals, have gotten off to a poor start this year.

Hedge funds, unlike mutual funds, can borrow huge sums to invest, speculate in foreign currencies and sell stocks short in a bet they will decline. But while some have made wrong-way currency bets or had other complicated strategies backfire this year, many others have simply found it difficult to pick stocks, or short them, in an environment where major indexes are powered higher by a small group of rapidly growing stocks.

Jeff Vinik, the former manager of Fidelity Investments Inc.'s Magellan fund who now oversees about \$2.5 billion at Vinik Asset Management LP in Boston, gained just 1 percent in the first quarter, after returns of 45 percent last year and 77 percent the previous year, according to a person knowledgeable about the fund.

Another top manager, Nicholas Roditi of Quota Fund, posted a 14.5 percent decline in the first quarter, a fund executive said. His \$1.1 billion fund stumbled last year, too, but ranked as one of the best over five years, cumulatively returning more than 400 percent through December.

Mr. Roditi, an outside investment adviser who runs

Quota for Soros Fund Management LLC, still outpaced the largest of the famed investor George Soros' funds, the \$6.9 billion Quantum fund. Managed by Stanley Druckenmiller, Quantum fell 15.5 percent during the first quarter, in part because of bad bets on the yen and bonds.

Another large hedge fund with a strong record, \$14 billion Tiger Management LP, dropped 7.5 percent in the

'In the last year or so, the fundamentals have gone out the window as companies with no earnings and no prospective earnings sell at infinite multiples.'

quarter, according to an investor. Tiger's boss, Julian Robertson, had many of his largest stock holdings in shares of small- to mid-capitalization companies, which declined along with most stocks of that size.

The results, in part, demonstrate that even the highest-paid minds in investing are not immune to what has become a two-tiered market. A select batch of large growth stocks pushing indexes to record levels, while most stocks sputter or decline.

Just like many retail investors, who have eschewed large-cap stock funds and the latest Internet offerings for more conservative "value" stocks, some hedge funds have found that fundamental research and old-fashioned stockpicking has not worked well lately.

Mr. Roditi and Mr. Druckenmiller declined to comment through a Soros spokesman, who also declined to comment on the performance of Quota or Quantum. Executives at Vinik Asset Management and Tiger Management also declined to comment on the performance of their funds.

While the Standard & Poor's index of 500 large-cap companies rose 5 percent in the first quarter, an index of 18 leading hedge funds tracked by U.S. Offshore Funds Directory rose just 1.3 percent, the second-worst quarterly performance in almost four years. A broader index of hedge funds tracked by the Hennessy Group, a New York hedge-fund advisory service, did better, returning 3.3

have driven the large indices," says George Van, the chairman of Van Hedge Fund Advisors International Co. in Nashville. "When small caps come back, I think hedge funds will outperform."

Consider Tiger Management, which reported holding about \$7 billion in stocks at the end of last year, according to securities filings. Of Tiger's 25 largest stocks holdings, 13 had market capitalizations of less than \$5 billion. And of those, 11 have declined over the past year, in keeping with the decline in most mid-cap stocks this year. Some of Tiger's larger stocks did much better: its fourth-largest holding, the end of last year, MCI WorldCom Inc., has jumped 30 percent this year, while the seventh-largest, Morgan Stanley Dean Witter & Co., has risen 60 percent.

"What's happened in the last year or so is that the fundamentals have been thrown out the window, as companies that have no earnings and no prospective earnings are selling at infinite multiples. It really has upset the applicant," said one of Mr. Robertson's investors, who asked not to be named.

The wide gap between large-cap growth stocks and the rest of the market has caused hedge-fund managers to change some habits. Some, for instance, have stopped shorting S&P 500 Index funds when they want to hedge certain stock purchases and are using mid-cap futures instead.

"They're matching capitalization much more closely than they've ever had to," said Carrie McCabe, the president of Blackstone Alternative Asset Management in New York, which oversees \$1.5 billion in hedge-fund money invested through 40 different managers.

A few stockpickers have managed to thrive this year. Cumberland Associates, with \$800 million managed by Oscar Schaffer, rose about 14 percent in the first quarter and is up slightly more than 20 percent over the past year, according to a person knowledgeable about the fund.

Cumberland's winners include Finer Holdings Corp., an electronic-commerce mortgage broker, up almost 1,100 percent over the past year, and United International Holdings Inc., one of the largest cable-television operators outside the United States, up 173 percent.

Meanwhile, some funds

that suffered huge losses or, in some cases, were nearly wiped out last autumn with the Russian debt default and near-collapse of Long-Term Capital Management LP have stabilized or are posting decent gains, though they have a long way to go to make up for 1998.

Long-Term Capital Management has reduced its balance sheet and posted gains since its bailout last autumn. Overall, the fixed-income hedge funds tracked by Hennessy Group rose 7.2 percent in the quarter. Many funds are getting "a lot of mileage" from fixed-income strategies, Ms. McCabe said.

FL TRUST ASIA

Société d'Investissement à Capital Variable - SICAV
26, avenue Montebello
L-2163 LUXEMBOURG
R.C. Luxembourg B. 42.447

Shareholders are hereby convened to attend the Statutory General Meeting of the Shareholders, which will take place at the company's registered office in Luxembourg on April 30th, 1999 at 14:00 for the purpose of considering and voting upon the following points:

AGENDA OF THE STATUTORY GENERAL MEETING

1. Reports of the Board of Directors and of the Independent Auditor.
2. Approval of the Financial Statements made-up as of December 31, 1998.
3. Discharge to the Directors and to the Independent Auditor.
4. Statutory appointments.
5. Miscellaneous.

Resolutions on the agenda of the Statutory General Meeting will require a quorum and will be taken at the majority of the votes expressed by the shareholders present or represented.

Shareholders who cannot attend the meeting are invited to send a proxy to the registered office to arrive not later than April 25, 1999. Proxy forms will be sent to registered shareholders. Proxy forms may also be obtained from the registered office.

The owners of bearer shares will have to deposit their shares five clear days before the meeting at either:

BANQUE FERRIER LULLIN (LUXEMBOURG) S.A.
26, avenue Montebello, L-2163 Luxembourg
FERRIER LULLIN & CIE S.A.
15, rue Pétit, CH - 1211 Genève 11

THE BOARD OF DIRECTORS

Packer Sets On-Line Spin-Off

Reuters

SYDNEY — The media magnate Kerry Packer plans to cash in on the Internet stock craze by floating part of his on-line operation, raising about 250 million Australian dollars (\$159.1 million).

Daniel Petre, chairman of the on-line unit of Mr. Packer's Publishing & Broadcasting Ltd., said the flotation, by September, would occur "wherever is most appropriate for the company." The unit also changed its name to eCorp Pty. from PBL Online. Analysts and sources said the spin-off probably would end up on the Nasdaq market.

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For information please contact:
Lyora Raab; Fax: (33-1) 41 43 92 12 or e-mail: fundas@ihf.com

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SECURITIES FUND | 962 AMER. SECURITIES FUND | 970 AMER. SECURITIES FUND | 978 AMER. SECURITIES FUND | 986 AMER. SECURITIES FUND | 994 AMER. SECURITIES FUND | 1002 AMER. SECURITIES FUND | 1010 AMER. SECURITIES FUND | 1018 AMER. SECURITIES FUND | 1026 AMER. SECURITIES FUND | 1034 AMER. SECURITIES FUND | 1042 AMER. SECURITIES FUND | 1050 AMER. SECURITIES FUND | 1058 AMER. SECURITIES FUND | 1066 AMER. SECURITIES FUND | 1074 AMER. SECURITIES FUND | 1082 AMER. SECURITIES FUND | 1090 AMER. SECURITIES FUND | 1098 AMER. SECURITIES FUND | 1106 AMER. SECURITIES FUND | 1114 AMER. SECURITIES FUND | 1122 AMER. SECURITIES FUND | 1130 AMER. SECURITIES FUND | 1138 AMER. SECURITIES FUND | 1146 AMER. SECURITIES FUND | 1154 AMER. SECURITIES FUND | 1162 AMER. SECURITIES FUND | 1170 AMER. SECURITIES FUND | 1178 AMER. SECURITIES FUND | 1186 AMER. SECURITIES FUND | 1194 AMER. SECURITIES FUND | 1202 AMER. SECURITIES FUND | 1210 AMER. SECURITIES FUND | 1218 AMER. SECURITIES FUND | 1226 AMER. SECURITIES FUND | 1234 AMER. SECURITIES FUND | 1242 AMER. SECURITIES FUND | 1250 AMER. SECURITIES FUND | 1258 AMER. SECURITIES FUND | 1266 AMER. SECURITIES FUND | 1274 AMER. SECURITIES FUND | 1282 AMER. SECURITIES FUND | 1290 AMER. SECURITIES FUND | 1298 AMER. SECURITIES FUND | 1306 AMER. SECURITIES FUND | 1314 AMER. SECURITIES FUND | 1322 AMER. SECURITIES FUND | 1330 AMER. SECURITIES FUND | 1338 AMER. SECURITIES FUND | 1346 AMER. SECURITIES FUND | 1354 AMER. SECURITIES FUND | 1362 AMER. SECURITIES FUND | 1370 AMER. SECURITIES FUND | 1378 AMER. SECURITIES FUND | 1386 AMER. SECURITIES FUND | 1394 AMER. SECURITIES FUND | 1402 AMER. SECURITIES FUND | 1410 AMER. SECURITIES FUND | 1418 AMER. SECURITIES FUND | 1426 AMER. SECURITIES FUND | 1434 AMER. SECURITIES FUND | 1442 AMER. SECURITIES FUND | 1450 AMER. SECURITIES FUND | 1458 AMER. SECURITIES FUND | 1466 AMER. SECURITIES FUND | 1474 AMER. SECURITIES FUND | 1482 AMER. SECURITIES FUND | 1490 AMER. SECURITIES FUND | 1498 AMER. SECURITIES FUND | 1506 AMER. SECURITIES FUND | 1514 AMER. SECURITIES FUND | 1522 AMER. SECURITIES FUND | 1530 AMER. SECURITIES FUND | 1538 AMER. SECURITIES FUND | 1546 AMER. SECURITIES FUND | 1554 AMER. SECURITIES FUND | 1562 AMER. SECURITIES FUND | 1570 AMER. SECURITIES FUND | 1578 AMER. SECURITIES FUND | 1586 AMER. SECURITIES FUND | 1594 AMER. SECURITIES FUND | 1602 AMER. SECURITIES FUND | 1610 AMER. SECURITIES FUND | 1618 AMER. SECURITIES FUND | 1626 AMER. SECURITIES FUND | 1634 AMER. SECURITIES FUND | 1642 AMER. SECURITIES FUND | 1650 AMER. SECURITIES FUND | 1658 AMER. SECURITIES FUND | 1666 AMER. SECURITIES FUND | 1674 AMER. SECURITIES FUND | 1682 AMER. SECURITIES FUND | 1690 AMER. SECURITIES FUND | 1698 AMER. SECURITIES FUND | 1706 AMER. SECURITIES FUND | 1714 AMER. SECURITIES FUND | 1722 AMER. SECURITIES FUND | 1730 AMER. SECURITIES FUND | 1738 AMER. SECURITIES FUND | 1746 AMER. SECURITIES FUND | 1754 AMER. SECURITIES FUND | 1762 AMER. SECURITIES FUND | 1770 AMER. SECURITIES FUND | 1778 AMER. SECURITIES FUND | 1786 AMER. SECURITIES FUND | 1794 AMER. SECURITIES FUND | 1802 AMER. SECURITIES FUND | 1810 AMER. SECURITIES FUND | 1818 AMER. SECURITIES FUND | 1826 AMER. SECURITIES FUND | 1834 AMER. SECURITIES FUND | 1842 AMER. SECURITIES FUND | 1850 AMER. SECURITIES FUND | 1858 AMER. SECURITIES FUND | 1866 AMER. SECURITIES FUND | 1874 AMER. SECURITIES FUND | 1882 AMER. SECURITIES FUND | 1890 AMER. SECURITIES FUND | 1898 AMER. SECURITIES FUND | 1906 AMER. SECURITIES FUND | 1914 AMER. SECURITIES FUND | 1922 AMER. SECURITIES FUND | 1930 AMER. SECURITIES FUND | 1938 AMER. SECURITIES FUND | 1946 AMER. SECURITIES FUND | 1954 AMER. SECURITIES FUND | 1962 AMER. SECURITIES FUND | 1970 AMER. SECURITIES FUND | 1978 AMER. SECURITIES FUND | 1986 AMER. SECURITIES FUND | 1994 AMER. SECURITIES FUND | 2002 AMER. SECURITIES FUND | 2010 AMER. SECURITIES FUND | 2018 AMER. SECURITIES FUND | 2026 AMER. SECURITIES FUND | 2034 AMER. SECURITIES FUND | 2042 AMER. SECURITIES FUND | 2050 AMER. SECURITIES FUND | 2058 AMER. SECURITIES FUND | 2066 AMER. SECURITIES FUND | 2074 AMER. SECURITIES FUND | 2082 AMER. SECURITIES FUND | 2090 AMER. SECURITIES FUND | 2098 AMER. SECURITIES FUND | 2106 AMER. SECURITIES FUND | 2114 AMER. SECURITIES FUND | 2122 AMER. SECURITIES FUND | 2130 AMER. SECURITIES FUND | 2138 AMER. SECURITIES FUND | 2146 AMER. SECURITIES FUND | 2154 AMER. SECURITIES FUND | 2162 AMER. SECURITIES FUND | 2170 AMER. SECURITIES FUND | 2178 AMER. SECURITIES FUND | 2186 AMER. SECURITIES FUND | 2194 AMER. SECURITIES FUND | 2202 AMER. SECURITIES FUND | 2210 AMER. SECURITIES FUND | 2218 AMER. SECURITIES FUND | 2226 AMER. SECURITIES FUND | 2234 AMER. SECURITIES FUND | 2242 AMER. SECURITIES FUND | 2250 AMER. SECURITIES FUND | 2258 AMER. SECURITIES FUND | 2266 AMER. SECURITIES FUND | 2274 AMER. SECURITIES FUND | 2282 AMER. SECURITIES FUND | 2290 AMER. SECURITIES FUND | 2298 AMER. SECURITIES FUND | 2306 AMER. SECURITIES FUND | 2314 AMER. SECURITIES FUND | 2322 AMER. SECURITIES FUND | 2330 AMER. SECURITIES FUND | 2338 AMER. SECURITIES FUND | 2346 AMER. SECURITIES FUND | 2354 AMER. SECURITIES FUND | 2362 AMER. SECURITIES FUND | 2370 AMER. SECURITIES FUND | 2378 AMER. SECURITIES FUND | 2386 AMER. SECURITIES FUND | 2394 AMER. SECURITIES FUND | 2402 AMER. SECURITIES FUND | 2410 AMER. SECURITIES FUND | 2418 AMER. SECURITIES FUND | 2426 AMER. SECURITIES FUND | 2434 AMER. SECURITIES FUND | 2442 AMER. SECURITIES FUND | 2450 AMER. SECURITIES FUND | 2458 AMER. SECURITIES FUND | 2466 AMER. SECURITIES FUND | 2474 AMER. SECURITIES FUND | 2482 AMER. SECURITIES FUND | 2490 AMER. SECURITIES FUND | 2498 AMER. SECURITIES FUND | 2506 AMER. SECURITIES FUND | 2514 AMER. SECURITIES FUND | 2522 AMER. SECURITIES FUND | 2530 AMER. SECURITIES FUND | 2538 AMER. SECURITIES FUND | 2546 AMER. SECURITIES FUND | 2554 AMER. SECURITIES FUND | 2562 AMER. SECURITIES FUND | 2570 AMER. SECURITIES FUND | 2578 AMER. SECURITIES FUND | 2586 AMER. SECURITIES FUND | 2594 AMER. SECURITIES FUND | 2602 AMER. SECURITIES FUND | 2610 AMER. SECURITIES FUND | 2618 AMER. SECURITIES FUND | 2626 AMER. SECURITIES FUND | 2634 AMER. SECURITIES FUND | 2642 AMER. SECURITIES FUND | 2650 AMER. SECURITIES FUND | 2658 AMER. SECURITIES FUND | 2666 AMER. SECURITIES FUND | 2674 AMER. SECURITIES FUND | 2682 AMER. SECURITIES FUND | 2690 AMER. SECURITIES FUND | 2698 AMER. SECURITIES FUND | 2706 AMER. SECURITIES FUND | 2714 AMER. SECURITIES FUND | 2722 AMER. SECURITIES FUND | 2730 AMER. SECURITIES FUND | 2738 AMER. SECURITIES FUND | 2746 AMER. SECURITIES FUND | 2754 AMER. SECURITIES FUND | 2762 AMER. SECURITIES FUND | 2770 AMER. SECURITIES FUND | 2778 AMER. SECURITIES FUND | 2786 AMER. SECURITIES FUND | 2794 AMER. SECURITIES FUND | 2802 AMER. SECURITIES FUND | 2810 AMER. SECURITIES FUND | 2818 AMER. SECURITIES FUND | 2826 AMER. SECURITIES FUND | 2834 AMER. SECURITIES FUND | 2842 AMER. SECURITIES FUND | 2850 AMER. SECURITIES FUND | 2858 AMER. SECURITIES FUND | 2866 AMER. SECURITIES FUND | 2874 AMER. SECURITIES FUND | 2882 AMER. SECURITIES FUND | 2890 AMER. SECURITIES FUND | 2898 AMER. SECURITIES FUND | 2906 AMER. SECURITIES FUND | 2914 AMER. SECURITIES FUND | 2922 AMER. SECURITIES FUND | 2930 AMER. SECURITIES FUND | 2938 AMER. SECURITIES FUND | 2946 AMER. SECURITIES FUND | 2954 AMER. SECURITIES FUND | 2962 AMER. SECURITIES FUND | 2970 AMER. SECURITIES FUND | 2978 AMER. SECURITIES FUND | 2986 AMER. SECURITIES FUND | 2994 AMER. SECURITIES FUND | 3002 AMER. SECURITIES FUND | 3010 AMER. SECURITIES FUND | 3018 AMER. SECURITIES FUND | 3026 AMER. SECURITIES FUND | 3034 AMER. SECURITIES FUND | 3042 AMER. SECURITIES FUND | 3050 AMER. SECURITIES FUND | 3058 AMER. SECURITIES FUND | 3066 AMER. SECURITIES FUND | 3074 AMER. SECURITIES FUND | 3082 AMER. SECURITIES FUND | 3090 AMER. SECURITIES FUND | 3098 AMER. SECURITIES FUND | 3106 AMER. SECURITIES FUND | 3114 AMER. SECURITIES FUND | 3122 AMER. SECURITIES FUND | 3130 AMER. SECURITIES FUND | 3138 AMER. SECURITIES FUND | 3146 AMER. SECURITIES FUND | 3154 AMER. SECURITIES FUND | 3162 AMER. SECURITIES FUND | 3170 AMER. SECURITIES FUND | 3178 AMER. SECURITIES FUND | 3186 AMER. SECURITIES FUND | 3194 AMER. SECURITIES FUND | 3202 AMER. SECURITIES FUND | 3210 AMER. SECURITIES FUND | 3218 AMER. SECURITIES FUND | 3226 AMER. SECURITIES FUND | 3234 AMER. SECURITIES FUND | 3242 AMER. SECURITIES FUND | 3250 AMER. SECURITIES FUND | 3258 AMER. SECURITIES FUND | 3266 AMER. SECURITIES FUND | 3274 AMER. SECURITIES FUND | 3282 AMER. SECURITIES FUND | 3290 AMER. SECURITIES FUND | 3298 AMER. SECURITIES FUND | 3306 AMER. SECURITIES FUND | 3314 AMER. SECURITIES FUND | 3322 AMER. SECURITIES FUND | 3330 AMER. SECURITIES FUND | 3338 AMER. SECURITIES FUND | 3346 AMER. SECURITIES FUND | 3354 AMER. SECURITIES FUND |
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SPORTS

Yankees Crush Orioles Despite Irabu's Shaky Pitching

The Associated Press
Chuck Knoblauch hit a leadoff homer and went 5-for-6 as the New York Yankees took sole possession of the American League East lead for the first time in season, beating the Baltimore Orioles, 14-7, for their seventh straight victory.

"That was obviously an awesome display of hitting or an awful display of pitching," Ray Miller, the Baltimore manager, said after his team lost Wednesday for the sixth time in seven games. "It was probably a little bit of both."

New York has won its last nine home games against Baltimore.

The Yankees led, 8-2, before Hideki Irabu came in and was tagged for five runs in one-third of an inning.

"I don't feel physically bad. I just need to throw the ball better," Irabu said through a translator. "There are many different ways to get out of a slump. It is up to the manager to decide."

Irabu, dropped from the rotation after

falling to cover first base twice in one week during spring training, was booed as he left the field after Harold Baines' three-run homer made the score 8-7.

Interim manager Don Zimmer said he did not know what Irabu's next step should be.

"His confidence can't be high right now," Zimmer said. "We need to get him right. We got him into the perfect situation with a six-run lead. Before you know it, we were in a fight for our lives."

Indiana 11, Royals 4 Sandy Alomar hit his first homer since August, and Manny Ramirez hit a three-run shot as Cleveland scored nine runs in the sixth inning against visiting Kansas City.

Blue Jays 7, Devil Rays 6 Jose Cruz Jr. hit a game-winning single in the 11th inning as Toronto beat visiting Tampa despite Jose Canseco's 400th career home run. Canseco became the 28th player in major-league history to reach

the 400-homer mark. Born in Cuba, he also is the first player born outside the United States to hit 400 homers.

Athletics 6, Angels 5 Matt Stairs drew a bases-loaded walk to drive home the tying run, and Olmedo Saenz followed with a sacrifice fly as Oakland beat visiting Anaheim.

Rangers 9, Mariners 6 Tom Goodwin hit a go-ahead single in the seventh and Lee Stevens hit a two-run homer as Texas scored four runs in the ninth to win in Seattle.

Tigers 7, Twins 1 Jeff Weaver pitched five shutout innings, allowing one hit in his major league debut, and Detroit stopped a six-game losing streak by beating visiting Minnesota.

Mets 4, Marlins 1 John Franco became the second pitcher to reach 400 career saves and Orel Hershey got his first

victory with New York as the host Mets extended their winning streak to five by beating Florida.

Franco, 38, got his third save of the season. He relieved in the ninth and struck out Todd Dunwoody and Preston Wilson before Kevin Orte hit a bloop double.

Franco then fanned Jorge Fábregas for the final out and was mobbed by his teammates at Shea Stadium.

The only reliever with more saves than Franco is Lee Smith, who retired with 478.

Expos 15, Brewers 1 Jim Abbott got rocked again. Fortunately, there were few witnesses.

Abbott gave up eight runs in three-plus innings, including two homers and a career-high six RBIs by Chris Widger, as the Expos routed Milwaukee in front of only 6,525 fans in Montreal. Abbott's earned run average rose to 14.63.

Cubs 5, Reds 4 Glenallen Hill hit a pair

of homers and Sammy Sosa got out of a slump with two doubles as the Cubs snapped a four-game losing streak by beating Cincinnati in Chicago.

Cardinals 9, Pirates 5 Darren Bragg hit his first two National League homers and St. Louis squandered a four-run lead before rallying to win in Pittsburgh with the help of some sloppy Pirates defense.

Braves 10, Phillies 4 Chipper Jones, Javy Lopez and Gerald Williams homered to lead Atlanta to victory in Philadelphia.

Diamondbacks 6, Dodgers 2 Jay Bell hit his major league-leading fifth homer and Omar Daal pitched seven strong innings as Arizona beat Los Angeles in Phoenix.

Astros 6, Giants 4 At San Francisco, Jose Lima pitched six solid innings and Houston hit three homers, including Jeff Bagwell's first of the season, to win in San Francisco.

San Diego's game at Colorado was postponed by snow.



New York Mets reliever John Franco celebrating his 400th career save with catcher Todd Pratt.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

| Team | W | L | Pct. | GB |
|-----------|---|---|------|----|
| New York | 7 | 1 | .875 | — |
| Boston | 6 | 1 | .857 | 1 |
| Toronto | 5 | 2 | .714 | 2 |
| Tampa Bay | 4 | 3 | .571 | 3 |
| Baltimore | 2 | 6 | .250 | 5 |

CENTRAL DIVISION

| Team | W | L | Pct. | GB |
|-------------|---|---|------|----|
| Cleveland | 7 | 1 | .875 | — |
| Kansas City | 5 | 3 | .625 | 2 |
| Minnesota | 3 | 5 | .375 | 4 |
| Chicago | 2 | 6 | .250 | 5 |
| Detroit | 2 | 6 | .250 | 5 |

WEST DIVISION

| Team | W | L | Pct. | GB |
|---------|---|---|------|----|
| Texas | 7 | 1 | .875 | — |
| Anaheim | 4 | 4 | .500 | 3 |
| Oakland | 4 | 4 | .500 | 3 |
| Seattle | 4 | 4 | .500 | 3 |

NATIONAL LEAGUE

EAST DIVISION

| Team | W | L | Pct. | GB |
|--------------|---|---|------|----|
| New York | 7 | 1 | .875 | — |
| Atlanta | 6 | 2 | .750 | 1 |
| Montreal | 4 | 4 | .500 | 3 |
| Philadelphia | 4 | 4 | .500 | 3 |
| Florida | 2 | 6 | .250 | 5 |

CENTRAL DIVISION

| Team | W | L | Pct. | GB |
|------------|---|---|------|----|
| Houston | 7 | 1 | .875 | — |
| St. Louis | 5 | 3 | .625 | 2 |
| Chicago | 4 | 4 | .500 | 3 |
| Cincinnati | 3 | 5 | .375 | 4 |
| San Diego | 3 | 5 | .375 | 4 |

WEST DIVISION

| Team | W | L | Pct. | GB |
|---------------|---|---|------|----|
| San Francisco | 6 | 2 | .750 | 1 |
| Los Angeles | 4 | 4 | .500 | 3 |
| San Diego | 4 | 4 | .500 | 3 |
| Arizona | 4 | 4 | .500 | 3 |
| Colorado | 2 | 6 | .250 | 5 |

WEDNESDAY LINESCORES

AMERICAN LEAGUE

| Team | W | L | Pct. | GB |
|---------------|---|---|-------|----|
| Minnesota | 6 | 0 | 1.000 | — |
| St. Louis | 5 | 1 | .833 | 1 |
| Houston | 4 | 1 | .800 | 2 |
| Pittsburgh | 3 | 2 | .600 | 3 |
| Philadelphia | 2 | 3 | .400 | 4 |
| San Diego | 2 | 3 | .400 | 4 |
| Los Angeles | 1 | 4 | .200 | 5 |
| Seattle | 1 | 4 | .200 | 5 |
| San Francisco | 1 | 4 | .200 | 5 |
| Arizona | 1 | 4 | .200 | 5 |
| Colorado | 1 | 4 | .200 | 5 |

NATIONAL LEAGUE

| Team | W | L | Pct. | GB |
|---------------|---|---|-------|----|
| St. Louis | 6 | 0 | 1.000 | — |
| San Francisco | 5 | 1 | .833 | 1 |
| Los Angeles | 4 | 1 | .800 | 2 |
| San Diego | 3 | 2 | .600 | 3 |
| Philadelphia | 2 | 3 | .400 | 4 |
| San Diego | 2 | 3 | .400 | 4 |
| Los Angeles | 1 | 4 | .200 | 5 |
| Seattle | 1 | 4 | .200 | 5 |
| San Francisco | 1 | 4 | .200 | 5 |
| Arizona | 1 | 4 | .200 | 5 |
| Colorado | 1 | 4 | .200 | 5 |

WEDNESDAY LINESCORES

AMERICAN LEAGUE

| Team | W | L | Pct. | GB |
|---------------|---|---|-------|----|
| Minnesota | 6 | 0 | 1.000 | — |
| St. Louis | 5 | 1 | .833 | 1 |
| Houston | 4 | 1 | .800 | 2 |
| Pittsburgh | 3 | 2 | .600 | 3 |
| Philadelphia | 2 | 3 | .400 | 4 |
| San Diego | 2 | 3 | .400 | 4 |
| Los Angeles | 1 | 4 | .200 | 5 |
| Seattle | 1 | 4 | .200 | 5 |
| San Francisco | 1 | 4 | .200 | 5 |
| Arizona | 1 | 4 | .200 | 5 |
| Colorado | 1 | 4 | .200 | 5 |

NATIONAL LEAGUE

| Team | W | L | Pct. | GB |
|---------------|---|---|-------|----|
| St. Louis | 6 | 0 | 1.000 | — |
| San Francisco | 5 | 1 | .833 | 1 |
| Los Angeles | 4 | 1 | .800 | 2 |
| San Diego | 3 | 2 | .600 | 3 |
| Philadelphia | 2 | 3 | .400 | 4 |
| San Diego | 2 | 3 | .400 | 4 |
| Los Angeles | 1 | 4 | .200 | 5 |
| Seattle | 1 | 4 | .200 | 5 |
| San Francisco | 1 | 4 | .200 | 5 |
| Arizona | 1 | 4 | .200 | 5 |
| Colorado | 1 | 4 | .200 | 5 |

WEDNESDAY LINESCORES

AMERICAN LEAGUE

| Team | W | L | Pct. | GB |
|---------------|---|---|-------|----|
| Minnesota | 6 | 0 | 1.000 | — |
| St. Louis | 5 | 1 | .833 | 1 |
| Houston | 4 | 1 | .800 | 2 |
| Pittsburgh | 3 | 2 | .600 | 3 |
| Philadelphia | 2 | 3 | .400 | 4 |
| San Diego | 2 | 3 | .400 | 4 |
| Los Angeles | 1 | 4 | .200 | 5 |
| Seattle | 1 | 4 | .200 | 5 |
| San Francisco | 1 | 4 | .200 | 5 |
| Arizona | 1 | 4 | .200 | 5 |
| Colorado | 1 | 4 | .200 | 5 |

NATIONAL LEAGUE

| Team | W | L | Pct. | GB |
|---------------|---|---|-------|----|
| St. Louis | 6 | 0 | 1.000 | — |
| San Francisco | 5 | 1 | .833 | 1 |
| Los Angeles | 4 | 1 | .800 | 2 |
| San Diego | 3 | 2 | .600 | 3 |
| Philadelphia | 2 | 3 | .400 | 4 |
| San Diego | 2 | 3 | .400 | 4 |
| Los Angeles | 1 | 4 | .200 | 5 |
| Seattle | 1 | 4 | .200 | 5 |
| San Francisco | 1 | 4 | .200 | 5 |
| Arizona | 1 | 4 | .200 | 5 |
| Colorado | 1 | 4 | .200 | 5 |

WEDNESDAY LINESCORES

AMERICAN LEAGUE

| Team | W | L | Pct. | GB |
|---------------|---|---|-------|----|
| Minnesota | 6 | 0 | 1.000 | — |
| St. Louis | 5 | 1 | .833 | 1 |
| Houston | 4 | 1 | .800 | 2 |
| Pittsburgh | 3 | 2 | .600 | 3 |
| Philadelphia | 2 | 3 | .400 | 4 |
| San Diego | 2 | 3 | .400 | 4 |
| Los Angeles | 1 | 4 | .200 | 5 |
| Seattle | 1 | 4 | .200 | 5 |
| San Francisco | 1 | 4 | .200 | 5 |
| Arizona | 1 | 4 | .200 | 5 |
| Colorado | 1 | 4 | .200 | 5 |

NATIONAL LEAGUE

| Team | W | L | Pct. | GB |
|---------------|---|---|-------|----|
| St. Louis | 6 | 0 | 1.000 | — |
| San Francisco | 5 | 1 | .833 | 1 |
| Los Angeles | 4 | 1 | .800 | 2 |
| San Diego | 3 | 2 | .600 | 3 |
| Philadelphia | 2 | 3 | .400 | 4 |
| San Diego | 2 | 3 | .400 | 4 |
| Los Angeles | 1 | 4 | .200 | 5 |
| Seattle | 1 | 4 | .200 | 5 |
| San Francisco | 1 | 4 | .200 | 5 |
| Arizona | 1 | 4 | .200 | 5 |
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POSTCARD

That Spooky Sound

By Alan Riding
New York Times Service

LONDON — It may seem odd that a video artist like Douglas Gordon should be drawn to Alfred Hitchcock's "Vertigo" by its sound track. But having previously manipulated the images of such movies as Hitchcock's "Psycho" and Rouben Mamoulian's "Dr. Jekyll and Mr. Hyde," Gordon wanted this time to probe the psychological dimension of music scores. And with "Vertigo," a good measure of the spookiness of the 1958 thriller starring James Stewart and Kim Novak is provided by Bernard Herrmann's music.

"For me, 'Vertigo' was the single most generic sound I could associate with cinema," Gordon said. "I tested it on people. I played it and asked people to identify it. Everyone knew that it was not written by a classic composer, and that it was a cinema score. But no one could place it as 'Vertigo.' It was what I was looking for. It was the sound of cinema for an entire generation."

The result is "Feature Film," a cinematic installation in which Gordon separates the music from the movie, then brings them together again in an unexpected way. The work, which has been commissioned by Arangel, an independent arts organization that promotes art installations in unusual venues, is on view through May 3 at the Atlantis Gallery in the Spitalfields district of East London. The gallery is, in fact, the loftlike second floor of a former beer brewery.

The space is filled with the lush sound track of "Vertigo," which appears to be coming from a large screen that almost divides the 150-foot-long room. The only im-

ages on the screen, though, are flashes of the hands, arms, eyes, face and hair of a man who appears to be conducting the score. At the far end of the hall, "Vertigo" itself is being projected onto a side wall, but without sound. Thus, when dialogue is spoken during the 122-minute movie, there is silence in the gallery. The music, 80 minutes of it, is alone used to set the mood.

Gordon, a wiry and good-natured graduate of both the Glasgow School of Art in his hometown and the Slade School in London, sees the work as a new step in his investigation into duality. In "24 Hour Psycho" in 1993, for instance, he projected Hitchcock's film in shuddering slow motion over 24 hours — and here Herrmann's score was pointedly missing.

In "Confessions of a Justified Sinner," he took three sequences from the 1932 "Dr. Jekyll and Hyde" and projected them in slow motion in positive and negative images, like good and evil, on two screens. In "Divided Self," two screens show a hand holding down an arm on a pillow. On one screen, a hairy arm holds down a hairless arm, suggesting a woman's arm, and on the other the roles are reversed (both arms in fact belong to the artist).

These works have placed Gordon at the forefront of the current boom in contemporary art in Britain. He is not part of the London art scene led by Damien Hurst, preferring to keep his base in Glasgow and to spend long stretches in Germany and New York. But he has been gaining recognition at an impressive pace: He won Britain's Turner Prize in 1996, the Premio 2000 at the Venice Biennale in 1997 and the Guggenheim's Hugo Boss Prize in 1998.

A Writer Ponders Who Lives and Who Dies

David Streitfeld
Washington Post Service

WASHINGTON — "I was a short, socially maladjusted kid in high school," Michael Cunningham said. "With just about everything, I've always had the sense of being a late bloomer." Better late than never. The 46-year-old New Yorker has just won the 1999 Pulitzer Prize for fiction, shortly after winning the PEN/Faulkner Award, for "The Hours," a novel inspired by the modernist icon Virginia Woolf.

Joanna Scott, one of the three PEN/Faulkner judges this year, called the book "innovative, eloquent, intelligent, wonderful." While Scott and her fellow judges are all novelists themselves, she said the fact that this is in some sense a novel about a novelist is "only a kind of dessert added to the feast." As it happened, Cunningham's worry was that his fourth novel "not be some kind of dry academic exercise that amounted to nothing more or less than a sort of annex or addendum to 'Mrs. Dalloway.'" The great Woolf novel that "The Hours" is a response to.

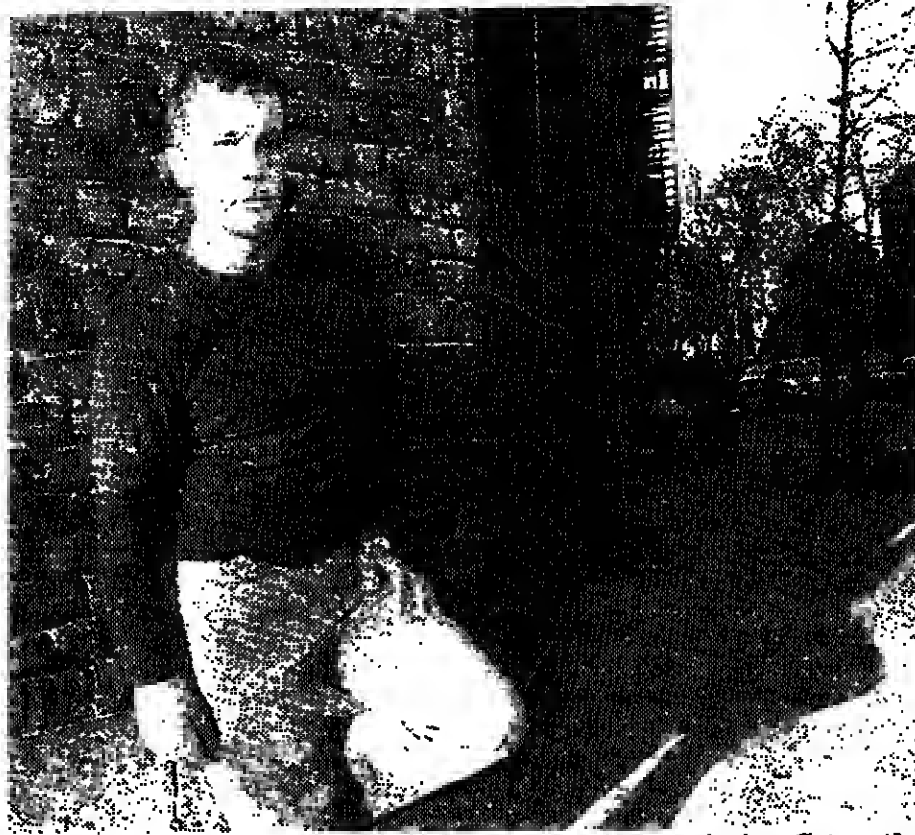
"The word 'homage' makes me slightly nervous," he added during an interview before his Pulitzer was announced. "as if it were something gilded on a rope being draped over the head of someone elderly or august. I wanted it to be livelier."

By most accounts, he succeeded. Launched by Farrar, Straus & Giroux in November, just as the same house was unleashing Tom Wolfe on the world, "The Hours" provides a contrast to "A Man in Full." With almost no hype, it has gone through five printings, totaling 37,500, with a sixth ordered last week. That's only a minuscule percentage of what the Wolfe book sold, but whereas carping about "A Man in Full" has increased over time, "The Hours" has continued to build an audience through word of mouth.

"It's had surprising endurance," Cunningham said. "It seems to have a life through people passing it on to other people."

The novelist hasn't quite disowned his first novel, "Golden States," but he doesn't list it among his credits. "I had been frozen throughout my twenties. It was easier to imagine myself as someone who might have talent than it was to put the talent to the test. Writing that book jump-started me, the way you would jump-start a car. It's an O.K. book — one of those that might be fine in a way, but don't need to stick around."

The AIDS epidemic forced him to look



Michael Cunningham's novel "The Hours" was inspired by Virginia Woolf.

deeper. "I knew a lot of people who were desperately ill, many of whom were heroes whom I had seen come through time and time again for others. As some of them got sick and it was my turn to take care of them, I was a little uncertain about what kind of books to take them. A lot of them were not very big readers, and it was late in the game for Homer or Chekhov. They weren't going to start doing that kind of reading. They wanted books in some ways about their lives."

He couldn't find much, so he wrote the books he needed. "A Home at the End of the World," about two men and a woman who redefine the notion of family, was particularly acclaimed, while "Flesh and Blood" was a saga of a family across four generations that drew mixed notices.

"The Hours" is much briefer than either tale, taking a mere 228 pages to tell the story of three women: Clarissa, a book editor who

is planning a party for her friend Richard, a poet dying of AIDS; Laura Brown, a Los Angeles housewife in 1949 who is contemplating suicide, and Woolf herself, fighting off madness and writing the deceptively simple tale of a woman running errands and contemplating her life and existence — "Mrs. Dalloway," of course.

In another interview, when he was on tour last fall, Cunningham said that he "wanted to write about who lives and who dies — what allows some people to just keep going, and others to just collapse in the face of it all. The notion that somebody like Virginia Woolf, who could see the world as deeply and fully and completely as she did, who had as deep a sense of the joy of being alive as anyone, could still ultimately decide not to live — I suspect it's one of the reasons we remain so fascinated not only by her work but by her death."

Cunningham's interest in Woolf dates

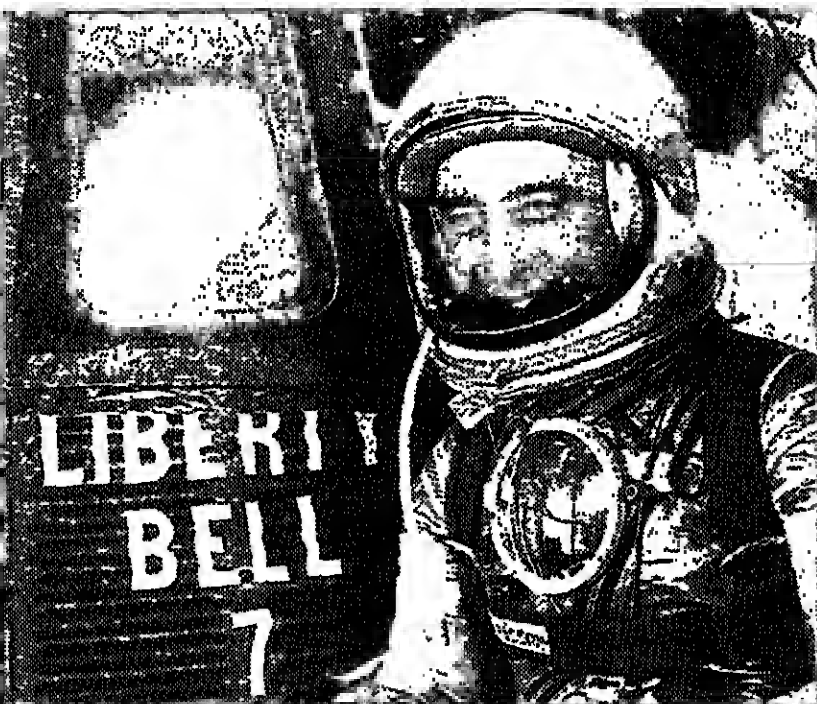
from his years as a teenager in Southern California. A friend, "a sort of outlaw queen" in their little town, encouraged him to read Woolf. When he went to the library, only "Mrs. Dalloway" was to be found. "I was just a kid. I didn't understand it. I didn't know what it was about, really. But her sentences stayed with me all those years. A Virginia Woolf sentence is like no other ever written by anyone in the history of human civilization. Reading her for the first time came to feel as vital as any early experience, like falling in love or losing your virginity."

It is clear that Jonathan Galassi — not only Cunningham's editor but also the editor of Alice McDermott (winner of this year's National Book Award for fiction), Edward Ball (winner of this year's National Book Award for nonfiction), Wolfe and Scott Turow, among others — is the great editor of our time. At least, "Jonathan Galassi is God," Cunningham said. "He reads your book — not all editors do. He reads your book deeply and sternly and generously and talks to you about it, almost the way a good shrink talks to you about your psyche. He doesn't fix your book. He asks all the right, difficult questions, and turns you loose to fix your book or not fix your book as you choose."

Galassi, confronted with Cunningham's assertion, demurred. "He's sweet," he said, "meanwhile crediting all those awards to a lot of good luck."

From Cunningham's "The Hours"

Yes, Clarissa thinks, it's time for the day to be over. We throw our parties; we abandon our families to live alone in Canada; we struggle to write books that do not change the world, despite our gifts and our unstinting efforts, our most extravagant hopes. We live our lives, do whatever we have to do, and then we sleep — it's as simple and ordinary as that. A few jump out of windows or drown themselves or take pills: more die by accident; and most of us, the vast majority, are slowly devoured by some disease or, if we're very fortunate, by time itself. There's just this for consolation: an hour here or there when our lives seem, against all odds and expectations, to burst open and give us everything we've ever imagined, though everyone but children (and perhaps even they) knows these hours will inevitably be followed by others, far darker and more difficult. Still, we cherish the city, the morning; we hope, more than anything, for more. Heaven only knows why we love it so.



Gus Grissom with Liberty Bell 7 before his suborbital flight in 1961.

AN underwater salvage expert who has spent 14 years trying to find Virgil (Gus) Grissom's sunken Mercury capsule will head out to sea this weekend in his most extensive search for the spacecraft yet. Curt Newport is teaming up with the U.S. cable television station the Discovery Channel for the two-week hunt about 480 kilometers (300 miles) off the Florida coast. The crew plans to set sail Sunday with the latest in side-scan sonar in hopes of finding Liberty Bell 7, lost at sea 38 years ago. The capsule sank to the bottom of the Atlantic after splashing down on July 21, 1961, when the explosive bolts that blow open the hatch detonated prematurely. There is still debate over whether the hatch malfunctioned or Grissom panicked and blew it open. Grissom, who nearly drowned in the incident, insisted until his death in a 1967 Apollo launch-pad fire that he had done nothing to cause the hatch to blow. NASA exonerated Grissom after the Mercury accident and he went on to fly on Gemini 3, although some accounts, including Tom Wolfe's 1979 book

"The Right Stuff," suggested that Grissom had panicked.

The body of the country music legend Tammy Wynette was exhumed Wednesday and an autopsy performed to try to answer lingering questions about what caused her death. George Richey, Wynette's fifth husband and the subject of a \$50 million wrongful death lawsuit brought by three of her daughters, requested the exhumation and autopsy. The results are expected in four to six weeks. The daughters claim that Wynette died because her doctor, Wallis Marsh of Pittsburgh, did not monitor her condition closely enough and overprescribed medication. They also claim Richey did not seek medical care for her after being urged to do so by Marsh. Wynette died at home in Nashville, Tennessee, at age 55 in April 1998.

The 1982 film "The Year of Living Dangerously," which had been banned in Singapore, will be screened there for

the first time, at the Singapore International Film Festival. The movie stars Mel Gibson as a journalist covering the failed 1965 Communist coup in Indonesia. Peter Weir, its Australian director, whose other works include "The Truman Show" and "Witness," will present the film at the festival, which opens Friday.

The Reverend Billy Graham will be inducted into the Gospel Music Hall of Fame in Nashville, Tennessee, next week for his support of Christian music. He will be represented by the singer George Beverly Shea at the ceremony on Wednesday and a video acceptance speech by Graham will be shown.

A British couple who married as total strangers three months ago as part of a radio station contest have split up after the ultimate blind date went wrong. Greg Cordell, 28, a salesman, and Carla Germaine, 23, a model, met for the first time at the altar after they

were selected to marry in the competition organized by radio station BRMB in Birmingham, England. The prize was a honeymoon to the Bahamas and the use of a luxury apartment and a car for a year. The split followed a Sunday newspaper report that Cordell had had an affair with a dental nurse. The couple, who described themselves as ordinary people who had done an extraordinary thing, blamed media intrusion for their breakup, but said they would remain friends.

Hillary Rodham Clinton is writing another book, this time detailing how she and President Bill Clinton entertain guests at the White House. The book, "An Invitation to the White House," will be published by Simon and Schuster in the fall. Her other books were "It Takes a Village," about raising children, and "Dear Socks, Dear Buddy: Kids' Letters to the First Pets," about the Clintons' cat and dog. In keeping with her usual practice, she will donate the proceeds of the new book to charity.



(put on a happy face)

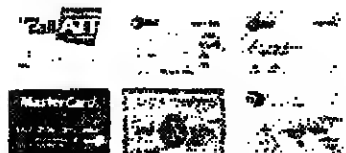
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